



## **DOMESTIC NEWS**

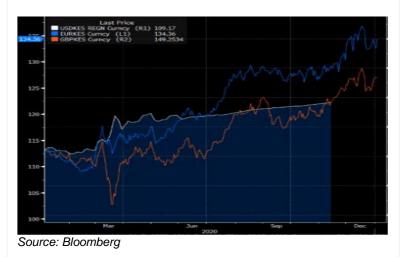
The home currency was exposed to further downside on Thursday, on the back of unabated dollar appetite from corporate and interbank players.

The shilling held firm in early trading as activity on both demand and supply counters remained well matched. This changed later in the day after dollar buying momentum marginally improved, overwhelming foreign currency sellers and sending the domestic currency licking its wounds.

Heading in to the weekend, we expect the local currency to remain trapped within the current range, with the direction of the USD/KES pair remaining mostly flow driven.

Amounts	Today's		Forward	Rate(l	JSD)(1 month)
"100,000"	Opening		BUY		105.65
	B∪y TT	Sell TT	SELL		115.65
USD/KES	104.35	112.80			
GBP/KES	142.35	154.20		3 Mo	nths
EUR/KES	126.10	139.20	Buy		106.05
JPY/KES	98.25	111.35	SELL		117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.12%	6.08%	-4.00
91-Day T-bill	6.906%	6.895%	-1.10
182-Day T-bill	7.400%	7.479%	+7.90
364-Day T-bill	8.348%	8.363%	+1.50
Inflation	5.30%	5.60%	+0.30



## **INTERNATIONAL NEWS**

The greenback bounced back yesterday, trading higher against all major currencies, as month of U.S political uncertainty finally settled. Investors took bets that the U.S economy would rebound in the coming months as Joe Biden received certification as the winner of the 2020 U.S Presidential elections and a statement from President Trump said there would be an orderly transition on Jan 20. Concurrently, the control of Congress has been resolved with the Democratic victories in Georgia.

The EUR/USD pair was down 0.43 percent as traders rushed to take profits from recent rise in the euro. Broad dollar buying also brought further pressure for the single currency.

Sterling held below a 2-1/2 year high on Thursday as reports emerged that the Bank of England could bring in sub-zero benchmark interest rates earlier than expected to counter the economic hit from a third coronavirus national lockdown.

In early Asian trading, the USD/ JPY currency pair traded flat, having gained 0.7 percent on Thursday owing to broad dollar buying.

Indicative Deposit Rates						
Amounts	> KES 20					
million		Amounts > 100,000				
KES		USD	EURO			
Call	2.75%	0.25%	0.00%			
1 month	4.70%	0.25%	0.00%			
3 months	5.00%	0.35%	0.00%			
6 months	5.25%	0.50%	0.00%			

Indicative Cross Rates					
	Buy	Sell			
EUR	1.1240	1.2940			
GBP	1.2720	1.4350			
JPY	99.65	114.50			
CHF	0.8320	0.9330			

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