

DOMESTIC NEWS

The USD/KES currency pair continued its bullish trajectory on Thursday, albeit gradually, steering the spot price up five-cents from its previous close.

It was a game of flows in the local FX market with heightened activity being prevalent in the morning session. The pair's climb was somewhat contained by the tight liquidity in the money market, with the regulator being forced to inject KES 25B worth of liquidity through 7-day reverse repo purchases.

Heading into the weekend, market chatter alludes to further depreciation of the local unit if recent increased activity on the demand counter continues to manifest.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.90	110.70
GBP/KES	139.75	154.75
EUR/KES	120.20	133.85
JPY/KES	93.00	103.10

Forward Rate(USD)(1 month)	
BUY	102.10
SELL	111.25
3 Months	
Buy	103.05
SELL	113.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.67%	5.77%	+10.00
91-Day T-bill	7.108%	7.115%	+ 0.70
182-Day T-bill	7.938%	7.925%	- 1.30
364-Day T-bill	9.403%	9.460%	+5.70
Inflation	5.78%	5.90%	+12.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar rose against its peers on Thursday as a shot of positive economic unemployment data contrasted with comments from the ECB that euro zone weakness still requires the support of its current pace of bond purchases. The ascent was further fortified late in the day, by a risk-off; dollar bid when news broke that U.S. President Joe Biden will propose nearly doubling taxes on capital gains for people earning more than \$1 million.

The euro was between swings versus the dollar before late-night events as well as the ECB announcement, which led it to fall 0.2 percent on the day. ECB's President Christine Lagarde squashed expectations that policymakers will start to consider a tapering of bond purchases due to an improving economic outlook.

Sterling fell on Thursday, erasing the week's gains against the dollar, as investors weighed up the outlook for an economic recovery in Britain.

The USD/JPY currency pair was confined within a narrow trading range, early Friday, as traders contemplated on possible moves by major central banks ahead of a U.S. Federal Reserve meeting next week.

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	1.1110	1.2710
GBP	1.3110	1.4510
JPY	100.80	112.80
CHF	0.8465	0.9865

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