

## DOMESTIC NEWS

The Kenya Shilling started the new month steady against its U.S. counterpart, in a session characterized by thin trading volumes.

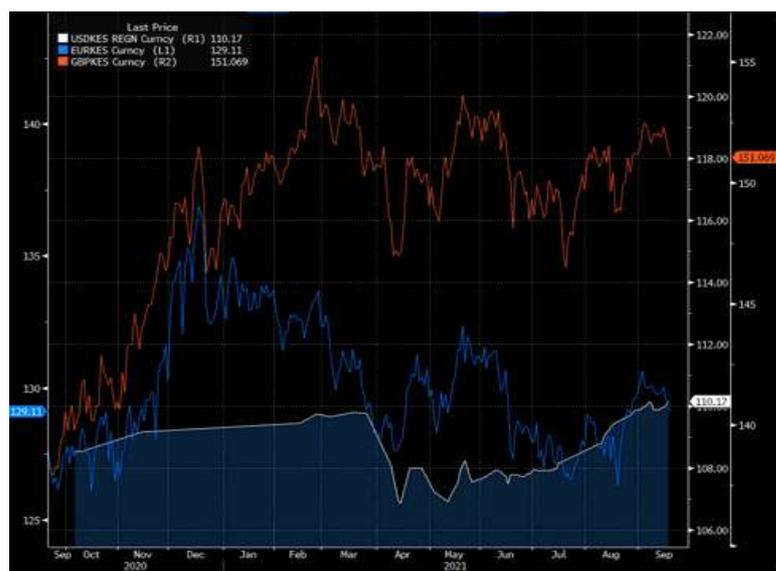
For majority of the session, inflows quenched foreign currency demand. However, a late flurry of dollar buyers from the corporate sector swung momentum to the greenback, with the USDKES pair inching a tad 5 cents higher by the days close.

Given the current trading levels for the home unit, we still see a range bound theme dominating trading as market players look out for a shift in market dynamics.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	103.90	113.30
GBP/KES	141.05	152.50
EUR/KES	120.15	131.80
JPY/KES	93.95	104.10

Forward Rate(USD)(1 month)	
BUY	104.25
SELL	114.25
3 Months	
Buy	105.15
SELL	115.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.92%	6.61%	-31.00
91-Day T-bill	6.896%	6.895%	-0.10
182-Day T-bill	7.282%	7.282%	0.00
364-Day T-bill	7.890%	7.949%	+5.90
Inflation	6.55%	6.57%	+2.00



Source: Bloomberg

## INTERNATIONAL NEWS

The dollar fell for a second straight session on Friday, tracking declines in U.S. Treasury yields, as investors booked profits after recent sharp gains, though the decline was viewed as temporary. Cautious market sentiment due to COVID-19 concerns, wobbles in China's growth and a Washington gridlock ahead of a looming deadline to lift the U.S. government's borrowing limit has lent support to the dollar, seen as a safe-haven asset.

The EUR/USD posted mild gains as Euro zone inflation jumped to a 13-year high in September, but core inflation's rose to 1.9% y/y from 1.6% y/y, leaving it below the ECB's 2% target, while European PMIs weakened along with those in Asia as supply chain bottlenecks weighed in.

Sterling was up 0.65%, extending its recovery from the post-Fed meeting plunge, with prices now back up by the July and August lows they broke below on Tuesday. Sterling was supported by expectations that the BOE will raise rates by February, well ahead of views on the Fed for late 2022, though further gains will likely need the aid of recovering global risk acceptance.

Earlier in Tokyo, the USD/JPY pair consolidated losses on the first trading day of the week. The pair fell for the third straight session, after peaking on Thursday.

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

Indicative Cross Rates		
	Buy	Sell
EUR	1.0890	1.2290
GBP	1.2750	1.4150
JPY	104.00	118.00
CHF	0.8600	0.9900

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