

DOMESTIC NEWS

The shilling was marginally weaker, losing a few cents versus the buck in Tuesday's trading, in a session characterized by thin trading volumes.

Market remained calm in yesterday's session with marginal activity reported on the key counters. However, subtle increase in appetite for foreign currency during the day tipped the scales in favor of the dollar.

Looking ahead, the expectation is that the home currency will trade within present ranges with flows guiding the direction.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	104.65	115.30
EUR/KES	121.05	134.25
GBP/KES	143.05	156.40
JPY/KES	93.15	104.40

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	4.4814%	4.4388%	-4.26
91-Day T-bill	7.040%	7.097%	+5.70
182-Day T-bill	7.486%	7.554%	+6.80
364-Day T-bill	8.489%	8.624%	+1.35
Inflation	6.90%	6.50%	-40.00



Source: Bloomberg5

INTERNATIONAL NEWS

The dollar dipped in choppy trading on Tuesday ahead of consumer price index data due to be released today. Investors held back on big moves, as the awaited CPI data will be a major indicator of the direction of price pressures and consequently interest rates. U.S PPI data, released yesterday, indicated that prices increased solidly in October, driven by surging costs for gasoline and motor vehicle retailing, suggesting that high inflation could persist for a while amid tight global supply chains related to the pandemic.

EUR/USD pair oscillated within familiar ranges with dismal market temperament preventing the euro from advancing. This is in spite of published November data on the bloc's largest economy, by ZEW Survey, indicating the country's Economic Sentiment unexpectedly improved to 31.7 from 22.3.

Sterling was a touch lower against the dollar on Tuesday as fading rate hike expectations weighed in on the Cable's outlook. Potential spats with Ireland and France on the post-Brexit trade deal added pressure to the pound.

In early Tokyo trading, the yen was marginally changed against the greenback, even as the highly anticipated U.S. inflation data looms.

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	5.25%	0.25%	0.25%	0.00%
3 months	5.75%	0.35%	0.35%	0.00%
6 months	6.50%	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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