

DOMESTIC NEWS

The Kenya shilling closed the day a tad softer against its U.S counterpart on Tuesday's trading session.

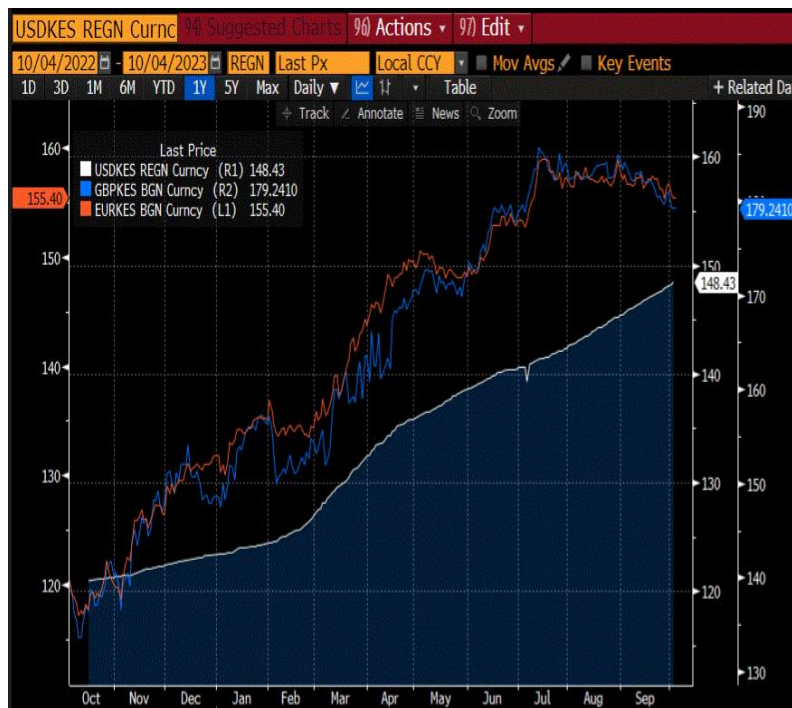
Heightened corporate dollar appetite was the main driver for the shilling's southbound movement, overriding the inflows from various sectors of the economy. This led to the local unit closing the day marginally weaker.

Given the current trading levels for the domestic unit, we still see a range bound theme dominating trading, as flows continue to guide the direction of the USDKES pair.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	143.00	154.80
EUR/KES	148.19	166.96
GBP/KES	171.00	188.71
JPY/KES	96.32	111.02

Forward Rate (USD) (1 month)	
BUY	143.50
SELL	155.00
3 Months	
Buy	146.35
SELL	157.30

Money Market Rates	Previous	Current	Change bps
Interbank Rate	12.36%	12.20%	-16.00
91-Day T-bill	14.7866%	14.8206%	+3.40
182-Day T-bill	14.9399%	14.9499%	+10.00
364-Day T-bill	15.2114%	15.0544%	-16.70
Inflation	6.7%	6.8%	+10.00



Source: Bloomberg

INTERNATIONAL NEWS

The US dollar surged to a ten-month peak, influenced by hawkish views from the Federal Reserve and U.S. Treasury yields reaching 16-year highs. The current dynamics of the global currency market reflect an overall strong performance for the US dollar and suggest a continued trend of restrictive monetary policy.

The Euro, trading at its lowest levels of this year fell off against the dollar in the third quarter. It is poised for a third straight year of losses. Much of this can be explained by a broadly firm dollar given the U.S. economy's resilience. On Tuesday, ECB Governing Council member Mr. Vălimăki said that central bank policymakers don't see a stagflation prospect in the Euro area, which supported the Euro from further losses.

The GBP continued its fifth straight week of losses in early European trading on Tuesday. This decline was attributed to the stronger dollar and the Federal Reserve's hawkish stance. While GBPUSD has been on a persistent downward trend, it's now in an oversold condition, suggesting a potential rebound that traders shouldn't dismiss.

The "will-they-won't-they" discussion over yen intervention has now morphed to "did-they-didn't-they" speculation, after the Japanese currency briefly breached its highest against the dollar. Traders have been on watch for weeks for a possible intervention by Japanese officials to combat a sustained depreciation in the yen. Tokyo has not confirmed any such move to support the yen, with both Japan's finance minister and its top currency diplomat making no direct comment

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES		USD	EURO
Call	4.25%	1.00%	0.00%	
1 month	6.25%	2.00%	0.00%	
3 months	7.00%	2.25%	0.00%	
6 months	8.00%	2.35%	0.00%	

Indicative Cross Rates

	Buy	Sell
EUR	1.0400	1.1550
GBP	1.2000	1.3700
JPY	140.50	150.50
CHF	0.8120	0.9950