

DOMESTIC NEWS

The local currency slumped further against its American counterpart as dollar demand continued to outmuscle supply.

The trading session witnessed ample demand with the price action for the USD/KES pair largely flow driven amidst subdued foreign currency inflows.

Heading into the weekend, we anticipate the local unit to continue trading within the established, barring any major market moving factors.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	143.75	155.65
EUR/KES	150.09	169.12
GBP/KES	173.68	191.68
JPY/KES	96.56	111.32

Forward Rate (USD) (1 month)	
BUY	144.80
SELL	157.60
3 Months	
Buy	148.80
SELL	159.80

Money Market Rates	Previous	Current	Change bps
Interbank Rate	11.96%	12.16%	+20.00
91-Day T-bill	14.8734%	14.9604%	+8.70
182-Day T-bill	14.9778%	15.0231%	+4.53
364-Day T-bill	15.1867%	15.3368%	+15.01
Inflation	6.7%	6.8%	+10.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar recovered some ground against major currencies on Thursday after U.S. consumer prices rose more than expected in September. The US consumer price index (CPI) held steady at 3.7% last month, with a 0.6% jump in the cost of shelter accounting for more than half of the rise. This is expected to affect monetary policy as market expects that the Fed is likely to hike rates one more time in December.

The euro tumbled after making steady gains through most of the week, on the back of the US CPI figures sending the Euro back into familiar lows for the week. In focus today, CPI figures for several Eurozone countries.

The Cable plunged 1.2% from the day's earlier highs after UK economic data failed to inspire confidence in the Sterling. UK Manufacturing and Industrial Production broadly missed the mark early Thursday, with Manufacturing Production declining 0.8% in August failing to meaningfully recover from the previous month's -1.2%. UK Gross Domestic Product (GDP) for August came in at 0.2%, matching estimates, but the previous month was revised downwards from -0.5% to -0.6%.

Friday's Asian trading saw the Japanese Yen lose some ground to the U.S Dollar, with traders on guard for potential intervention by Japanese authorities to support their currency should it weaken further.

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	EUR	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	1.0500	1.2000
GBP	1.1600	1.3000
JPY	142.00	154.60
CHF	0.8300	0.9900