

DOMESTIC NEWS

The Kenyan Shilling gave up marginal ground against the greenback in Thursday's trading session.

Foreign currency demand and supply flows balanced out for most of the day in quiet trading, although a slight uptick in demand saw the home unit close the day a few cents weaker against the greenback.

We expect the currency pair to maintain its current range as we head into the weekend, driven by demand and supply dynamics.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	148.05	157.60
EUR/KES	155.74	169.02
GBP/KES	178.81	194.84
JPY/KES	98.99	107.17

Forward Rate (USD) (1 month)	
BUY	145.40
SELL	157.50
3 Months	
Buy	148.95
SELL	159.95

Money Market Rates	Previous	Current	Change bps
Interbank Rate	12.31%	12.18%	-13
91-Day T-bill	15.1112%	15.1863%	+7.51
182-Day T-bill	15.1289%	15.2714%	+14.25
364-Day T-bill	15.3867%	15.4391%	+5.24
Inflation	6.8%	6.9%	+10.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar declined broadly as investors anticipated the end of the Federal Reserve's rate hike cycle, following the Fed's recent dovish stance and steady rates. Improved risk sentiment, lower Treasury yields, and US economic data further weighed on the dollar. Nonfarm payrolls data for October due later today is a key focus for the markets as a strong labor market could encourage the Fed to raise rates, potentially reversing some of the week's dollar weakness. Today's data is expected to show a sharp decline in payrolls but the data has also consistently beaten market estimates so far this year. The Fed Chairman speech mid-week was laced with mixed messages but it stated that the door for one more rate hike was still open though it will be economic data dependent.

The euro gained ground despite weak Eurozone manufacturing PMI data. Eurozone government bond yields fell to multi-week lows but the Euro was supported by broader risk sentiment.

The Sterling edged up after the Bank of England left interest rates steady for a second meeting in November as expected with six members voting for steady rates and three members voting for a hike compared to two members last meeting thereby supporting the sterling. The BoE however kept the door open for another rate hike if there was evidence of more persistent inflationary pressures. The cable traded at a fresh one-week high, supported by a mildly hawkish Central Bank.

The Japanese Yen rose 0.1% in holiday-thinned trade, but still remained close to its weakest level in one year.

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	1.0400	1.1550
GBP	1.2000	1.3700
JPY	140.50	150.50
CHF	0.8120	0.9950