

## DOMESTIC NEWS

The domestic currency remained steady against the U.S. dollar during a quiet trading session on Thursday, as foreign currency supply and demand were evenly balanced.

Trading activity was limited, with supply matching demand across the market, resulting in the currency closing at the same level as the previous session.

The local currency is expected to trade within a narrow range in the short term, with movements mainly influenced by market liquidity.

Amounts "100,000"	Spot Rates		Forward Rates		
	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	126.00	132.00	1 month	126.50	134.20
EUR/KES	140.45	159.30	3 Months	127.10	135.60
GBP/KES	162.40	183.45	6 Months	129.20	137.70
JPY/KES	80.25	92.45	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.51%	9.58%	+7.00
91-Day T-bill	8.0000%	7.9999%	-1.00
182-Day T-bill	8.0706%	8.0500%	-2.00
364-Day T-bill	9.5734%	9.5691%	-1.00
Inflation Rate	3.82%	4.15%	+33.00

Source: Bloomberg



## INTERNATIONAL NEWS

The U.S. dollar traded within a range against major currencies on Thursday with traders weighing between rate cuts and the data releases from the U.S. which has been strong in the recent days. Data showed a slight improvement in jobless claims and better-than-expected GDP (QoQ growth for Q2 coming at 3.30% against expectations of 3.0%. Core PCE Prices for Q2 showed 2.50%, in line with expectations but lower than 3.50% previously. Traders increased their expectations that the Federal Reserve will lower interest rates next month following comments from New York Fed President John Williams suggesting that a rate cut could be on the table. The 10-year U.S. treasury yield fell, moving towards 4.20% levels.

The EUR/USD traded within a range as markets remained wary of Fed independence versus the data from the different economies. In the EU, Thursday's economic agenda included the release of the European Central Bank's (ECB) latest meeting minutes, along with August figures for the Economic Sentiment Indicator and Consumer Confidence which did little to move markets. Markets await German Retail Sales & CPI figures later today for more cues on the pair.

The GBP/USD was range bound through the trading session but overall the sterling has been well supported amid a dearth of data.

Earlier in the week, UK Producer Prices rose to 1.9% year-over-year, the highest in two years leading to market expectations that the BoE will keep rates steady.

The Japanese Yen strengthened against the U.S. Dollar in the early Asian session on Friday following the release of Tokyo's August Consumer Price Index (CPI) report. Data from Japan's Statistics Bureau showed that Tokyo's headline CPI increased by 2.6% year-on-year in August, down from 2.9% in July. Meanwhile, core CPI inflation eased to 2.5% YoY in August from 2.9% the previous month, aligning with market expectations. These inflation figures have sustained market hopes for renewed interest rate hikes, further bolstering the Yen.

Indicative Deposit Rates			
Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	EURO
Call	6.10%	0.05%	0.10%
1 month	5.20%	0.10%	0.15%
3 months	5.20%	0.15%	0.25%
6 months	5.65%	0.20%	0.30%

  

Indicative Cross Rates		
CCY	Buy	Sell
EUR\USD	1.1521	1.1522
GBP\USD	1.3490	1.3497
USD\JPY	145.42	145.45
USD\CHF	0.8165	0.8171