

DOMESTIC NEWS

It was a quiet session on Monday, as activity in the local market remained muffled. The Kenya Shilling closed the first trading day of the week a tad weaker against the U.S dollar

Demand for foreign currency from the corporate counters continued, driving the USD/KES pair movement as demand outweighed supply.

In today's session, we expect the currency pair to continue being guided by flows from the respective counters.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	143.45	155.30
EUR/KES	150.57	169.66
GBP/KES	174.56	194.36
JPY/KES	96.85	111.65

Forward Rate (USD) (1 month)	
BUY	144.70
SELL	157.40
3 Months	
Buy	148.70
SELL	159.70

Money Market Rates	Previous	Current	Change bps
Interbank Rate	11.98%	11.99%	+1.00
91-Day T-bill	14.8206%	14.8734%	+5.30
182-Day T-bill	14.9499%	14.9778%	+2.80
364-Day T-bill	15.0544%	15.1867%	-13.20
Inflation	6.7%	6.8%	+10.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar dipped broadly on Tuesday, tracking a slide in U.S. Treasury yields weighed down by dovish Federal Reserve comments. The two-year U.S Treasury yield, which typically reflects near-term rate expectations, hit a one-month low of 4.9260% while the benchmark 10-year yield stood at 4.6468% on Tuesday. The focus now turns to minutes of the Fed's September policy meeting out later on today and the U.S inflation date due tomorrow, which could offer further clues on its interest rate outlook.

The euro ticked up against dollar amidst dovish Fed comments and anticipated Chinese stimulus measures. The uptick in German bond yields could limit the advancement of the EUR/USD pair, as market participants anticipate the European Central Bank (ECB) to pause its tightening cycle.

The Sterling has managed something of a comeback in recent days against the dollar, rising for the past five sessions after having its worst month in a year in September. Last week it had dropped to a six-month low as markets reassessed earlier bets of several more rate hikes from the Bank of England.

In the Asian session, USD/JPY extended its gains on the second successive day. The pair rebounded in the previous session on the positive risk sentiment in the midst of the Middle East conflict. The Bank of Japan (BoJ) is considering revising its fiscal year 2023/24 core Consumer Price Index (CPI) estimate aiming for 3% compared to the previous forecast of 2.5%, which reflects an optimistic outlook on inflation.

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	1.0200	1.1550
GBP	1.1850	1.3700
JPY	142.50	153.50
CHF	0.8120	0.9950