

DOMESTIC NEWS

The domestic unit ceded some ground to the greenback in Wednesday's trading session, driven by broad-based dollar demand and limited inflows

Market witnessed some foreign currency demand across sectors of the economy that saw the USDKES currency pair close slightly higher than previous close.

We expect the local unit to trade within the recent established ranges, with flows still remaining the main determinant for the direction of the home unit.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	143.60	155.50
EUR/KES	151.08	170.27
GBP/KES	175.10	193.28
JPY/KES	96.74	111.56

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	11.99%	11.96%	-3.00
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 U.S Dollar held steady against a basket of currencies and was further supported by better than expected Producer Price Index Data. However, core reading showed underlying inflation moderating further in September. The Fed's policy meeting minutes last month showed uncertainty around the path of the U.S economy but markets remained indifferent. Focus now shifts to today's inflation report from the U.S. Investors also are keeping a close eye on the conflict between Israel and Palestinian Islamist group Hamas, as they continue to seek safe-haven assets.

The euro edged slightly higher yesterday as Euro zone households saw inflation stay slightly above the European Central Bank's (ECB) 2% target for another three years. An ECB survey on Wednesday showed, as rate-setters struggle to convince the public their plans to tame prices are on track.

The pound gained ground, snubbing an above forecast U.S. PPI on technical trading, recouping some of its recent losses. Markets today await the UK GDP data today.

Early Asian trading saw the USD/JPY pair oscillate in a narrow trading band. A generally positive risk tone, along with the Bank of Japan's (BoJ) persistent ultra-easy monetary policy, is seen undermining the safe-haven Japanese Yen (JPY) and acting as a tailwind for the pair.

Indicative Deposit Rates

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

Indicative Cross Rates

	Buy	Sell
EUR	1.0200	1.1500
GBP	1.1750	1.3200
JPY	141.50	154.50
CHF	0.8100	0.9950