

DOMESTIC NEWS

There was little reprieve for the Kenya shilling as it extended its decline against US currency.

Increased dollar demand from various sectors amidst muted foreign currency supply pushed the USDKES pair to close slightly stronger from the day's opening levels. The regulator stayed of Open Market Operations citing balanced liquidity.

Ahead of the weekend, market chatter points to further shilling weakness amid limited inflows.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	103.65	112.80	104.00	113.80
GBP/KES	134.63	145.50	3 Months	
EUR/KES	120.41	132.00	Buy	104.75
JPY/KES	98.00	111.90	SELL	115.80

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.47%	2.38%	-11.00
91-Day T-bill	6.468%	6.520%	+5.20
182-Day T-bill	6.853%	6.909%	+5.60
364-Day T-bill	7.762%	7.800%	+3.80
Inflation	4.36%	4.20%	-16.00



Source: Bloomberg

INTERNATIONAL NEWS

Risk off sentiment ruled the counters on Thursday pushing the king dollar to a two week-high against a basket of currencies. The market was cautious as data showed signs of slowed US economic recovery and the unlikely chance of a fiscal stimulus package before the election on 3rd November. 898,000 people filed for unemployment benefits last week, the highest level in two months, intensifying downward risks to the labour market. Democrats and republicans remain far apart on issues regarding the COVID-19 relief package with little progress made in the negotiations. September retails sales and October Michigan's consumer sentiment are due today.

The Euro plunged to a two-week low on the back of a stronger dollar and fear of rising coronavirus cases in Eurozone. EU September inflation is scheduled for release today with the market expecting little change from 0.2% seen the previous month.

Sterling reversed previous day's gains on Thursday as concerns about Brexit re-emerged. The UK left EU officially in January; the estranged allies have since been negotiating a trade pact to have a trillion worth of annual trade free of tariffs or quotas from next year. The government is set to impose stricter social restrictions as coronavirus cases rise, amplifying market risk aversion.

Safe-haven yen opened lower in the early Asian trade owing to increased dollar demand. The currency pair is likely to take cue from US news, as Japan's economic calendar remains empty today.

Indicative Deposit Rates				
	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	EUR	
Call	2.75%	0.25%	0.00%	
1 month	4.70%	0.25%	0.00%	
3 months	5.00%	0.35%	0.00%	
6 months	5.25%	0.50%	0.00%	

Indicative Cross Rates		
	Buy	Sell
EUR	1.1240	1.2640
GBP	1.2520	1.3950
JPY	99.65	114.50
CHF	0.8320	0.9730

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