



DOMESTIC NEWS

The Kenyan shilling was marginally firmer against the US dollar on Wednesday, helped by inflows from diaspora remittances and horticulture exports as demand for the greenback from importers remained low. The local currency traded at 100.40/60, marginally stronger than Tuesday's close of 100.45/65. We expect the shilling to remain relatively stable in the short term but we may see it come under pressure due to end month dollar demand from importers. However, we expect the shilling to receive support from healthy horticulture exports and improving diaspora remittances.

Elsewhere, on Wednesday, the Central bank sold KES 10.51 billion worth of the 20-year Treasury bond - FXD2/2018/20 - against a target of KES 40 billion. The bond came at a yield of 13.371%, higher than 13.327% as at last sale.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.00	104.00	98.00	103.00
GBP/KES	128.70	136.70	129.20	136.20
EUR/KES	114.40	121.40	114.90	120.90
AED/KES	25.85	28.85	25.85	28.85

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5502%	3.9836%	0.567
91-Day T-bill	7.656%	7.701%	-0.045
182-Day T-Bill	9.194%	9.322%	-0.128
364-Day T-Bill	10.238%	10.381%	-0.143
Inflation	4.28%	3.95%	0.330
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The US dollar fell against major global currencies on Wednesday and the euro edged higher, as immediate concerns about global trade tensions ebbed after the US and the EU agreed to begin talks to lower tariffs. Following talks on Wednesday with European Commission President Jean-Claude Juncker, U.S. President Donald Trump said they agreed to work together toward zero tariffs, zero non-tariff barriers, and zero subsidies on non-auto industrial goods.

Extending earlier losses, the dollar index against a basket of six major currencies was down 0.25% to close at 94.15 after brushing 94.05, it's lowest since July 10.

The euro was up 0.3% at \$1.1730, extending its rise after gaining 0.3% the previous day. Early on Wednesday, before the Trump-Juncker talks, the single currency slipped to a low of \$1.1660 on media reports that Trump was considering imposing a 25% tariff on foreign-made cars. But it bounced back on comments of the two leaders that showed desire to find solutions to trade conflicts between the US and EU.

Meanwhile, the sterling pound also rose on Wednesday to its highest in a week as traders bet that Prime Minister Theresa May's decision to take control of Brexit negotiations would make it easier to agree a divorce deal with Brussels with less than nine months before Britain is due to leave the European Union. The British currency rose to close at \$1.3200 against a broadly weaker dollar, its strongest level since July 17.

Elsewhere, global oil prices rose on Wednesday, extending gains into a third day after Saudi Arabia suspended crude shipments through a strategic Red Sea shipping lane and as data showed U.S. inventories fell to a 3-1/2 year low. Brent crude, the global benchmark for oil prices, rose 0.6% to close at \$74.40.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
Call	7.00%		2.00%	
1 Month	8.50%		2.25%	
3 Months	9.25%		2.75%	
6 Months	9.50%		3.25%	
1 year	10.00%		3.50%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1680	1.1780
GBP/USD	1.3150	1.3250
USD/AED	3.6675	3.6785
USD/JPY	110.25	111.25