



DOMESTIC NEWS

The shilling held steady on Friday ending the week little changed versus the dollar. Foreign currency inflows from various sectors of the economy adequately matched importer dollar demand leaving the USDKES pair trading sideways near the 101.00 hurdle, a key psychological level. By close of trade, the local unit stood at 101.45/65, same as Thursday's close.

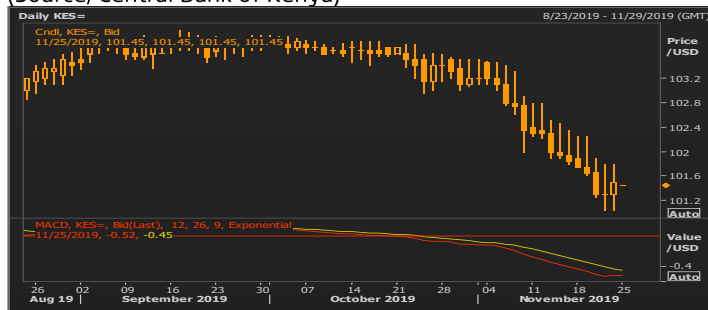
In other news, according to Fitch Ratings the repeal of Kenya's lending rate cap is positive for the country's banks as it will boost profitability, but loan margins are unlikely to return to pre-cap levels. It will also support economic growth through supporting a modest rebound in lending and improving monetary policy transmission. In their view, the repeal will boost lending and banks' earnings and will take some pressure off asset quality metrics as credit flows resume in certain sectors. Credit growth has started to recover in 2019, and with the repeal we forecast nominal loan growth of over 10% in 2020. Meanwhile, The next meeting of the Monetary Policy Committee will be held today Monday, November 25, 2019.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.05	105.05	99.05	104.05
GBP/KES	126.45	134.45	126.95	133.95
EUR/KES	108.45	115.45	108.90	114.90
AED/KES	26.15	29.15	26.15	29.15

Money Market Rates	Current	Previous	Change
Interbank Rate	4.322%	3.950%	0.372
91-Day T-bill	7.131%	6.680%	0.451
182-Day T-Bill	8.215%	7.774%	0.441
364-Day T-Bill	9.804%	9.784%	0.020
Inflation	4.950%	3.830%	1.120
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar index rose on Friday to 97.760 after comments from U.S. President Donald Trump on China increased hope that the two sides would sign a trade deal soon. Speaking on Fox News, Trump said a deal with China was "potentially very close," and also indicated that he might not sign a bill passed this week by Congress that supports Hong Kong in an attempt to appease Beijing. But trade talks could flounder if U.S. President Donald Trump signs into law a bill supporting Hong Kong's pro-democracy protesters or if U.S. warships keep sailing near islands claimed by China in the South China Sea.

The GBP/USD pair weakened on Friday to \$1.2850, recording its biggest daily loss in nearly three weeks after PMI data showing British business suffering their deepest downturn since mid-2016, with caution rising before the Dec. 12 general election. The United Kingdom's Prime Minister Boris Johnson promised to get Brexit done" and bring a deal to leave the European Union back to parliament before Christmas.

The euro was steady at \$1.1021 on Friday and will likely drop if the German IFO data misses expectations due today. Later in the day a speech from the European Central Bank's chief economist is expected.

The Japanese yen is currently trading at 108.75 early Monday. Rising tensions over Hong Kong, have emerged as a fresh complication in the trade talks.

Elsewhere, global oil prices began the week on a brighter note at \$63.46 per barrel on Monday, posting early gains as positive noises from Washington over the weekend rekindled optimism in global markets that the United States and China could soon sign a deal to end their bitter trade war.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
2 Weeks	6.50%	1.25%
1 Month	7.00%	1.75%
3 Months	8.00%	2.00%
6 Months	8.50%	2.25%
1 year	9.00%	2.50%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.0990	1.1180
GBP/USD	1.2800	1.2940
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.30