



**DOMESTIC NEWS**

Kenya shilling weakened further on Tuesday due to increased dollar demand from the manufacturing sector and general good importers. The local unit was at its historical low of 112.75/95 lower than its Monday's level of 112.60/80.

Analyst still point to a further weakening local unit in the coming days fueled by the demand for dollars in the wake of the festivities.

In the commodities markets, Crude oil prices have fallen sharply in the past two weeks on concerns over possible decline in global demand due to the Omicron variant of Covid-19, but Kenyan motorists risk missing out on the benefits should the government opt not to apply the price subsidy in the January 2022 review.

International oil market data shows that the prices for the UAE's Murban oil — Kenya's main petrol source market — has dropped from a high of \$83.60 a barrel on November 24 to \$74 on Tuesday, having gone as low as \$69 at the beginning of the month.

**Indicative Forex Rates**

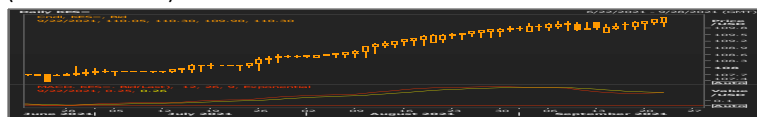
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	109.20	116.20	110.70	115.70
GBP/KES	145.66	153.66	144.36	154.06
EUR/KES	122.83	130.73	123.63	131.13
AED/KES	29.18	32.18	28.68	32.68

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.100%	5.300%	-0.200
91-Day T-bill		7.232%	7.181%	0.051
182-Day T-Bill		7.854%	7.835%	0.019
364-Day T-Bill		9.016%	8.944%	0.072
Inflation		5.800%	6.450%	-0.650
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.27625	-0.55529	0.26425
12 months	0.46550	-0.50129	0.63713

(Source: Reuters)



(Source: Reuters)

**INTERNATIONAL NEWS**

The greenback ended the day slightly higher against majority of its peers on Tuesday (except commodity currencies, which gained on rise in oil prices) due to a rally in U.S. stocks and rising U.S. Treasury yields. (Dow Jones ended the day at 35,719 up by 1.40% or 492 points). Versus the Japanese yen, dollar traded with a firm bias in Asia and gained to 113.73 ahead of European open. The pair then retreated in tandem with U.S. yields to 113.47 ahead of New York open before rising higher to a near 1-week high of 113.77 and then traded sideways.

The pair GBP/USD is retracing its moves in the green at 1.32537 after climbing from a low of 1.3231 to a high of 1.3254 in Asia. The US dollar slid and trades down some 0.11% as measured against six major rival currencies in the DXY index.

The Benchmark 10-year and 30-year US Treasury yields have pulled back from their one-week highs hit on Tuesday and are sliding further in Asia which is pressuring the greenback. Most other asset classes are in the green with Japanese shares rebounding as investors stay hopeful that the Omicron coronavirus variant may be less disruptive for the global economy than initially feared.

Meanwhile, Traders are looking to the Bank of England that is now expected to hold off again next week on becoming the world's first big central bank to raise interest rates from their pandemic lows.

**Indicative Profit Rates on Deposits**

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	6.00%	0.25%
1 Month	6.25%	0.50%
3 Months	6.50%	0.75%
6 Months	6.75%	1.00%
1 year	7.00%	1.25%

**Indicative Cross Rates**

	Bid	Offer
EUR/USD	1.1123	1.1469
GBP/USD	1.3135	1.3651
USD/AED	3.6655	3.6899
USD/JPY	108.35	116.79