



DOMESTIC NEWS

Kenya Shilling eased on Tuesday as demand for dollars from manufacturing and energy sectors outweighed supply from diaspora remittances. Commercial banks quoted the shilling at 121.60/80 per dollar compared with Monday's closing rate of 121.45/65.

In other news locally, Commercial banks are now charging large companies higher interest rates on loans compared to start-ups and individual borrowers, new data from the Central Bank of Kenya (CBK) shows, pointing to higher risk perception of larger firms who have in the past two years accounted for the bulk of the spike in non-performing loans.

The CBK data on lending rates by category of borrower shows that corporate firms paid 13.95 percent on average on loans of between one and five years in September, up from 11.9 percent a year earlier.

For their part, smaller businesses, which a year ago were paying the highest average rate at 12.5 percent, are now being asked for 13.8 percent as the loan pricing seesaws in their favor. (Business daily)

Indicative Forex Rates

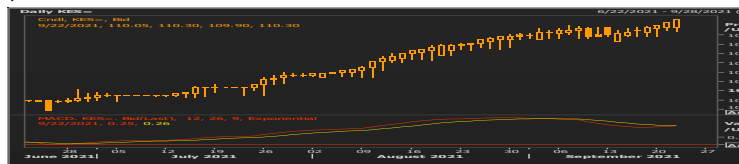
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	118.25	128.75	117.75	128.25
GBP/KES	136.60	156.10	135.80	150.60
EUR/KES	117.71	143.61	118.01	136.61
AED/KES	29.15	39.15	31.15	38.65

Money Market Rates	Current	Previous	Change
Interbank Rate	4.500%	4.390%	0.110
91-Day T-bill	9.139%	9.127%	0.012
182-Day T-Bill	9.691%	9.678%	0.013
364-Day T-Bill	10.109%	9.965%	0.144
Inflation	9.600%	9.200%	0.040
CBR RATE	7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	5.02286	0.04083	4.06350
12 months	5.61214	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar slid on Tuesday as rising German bond yields strengthened the euro, but a strong reading of the consumer price index later this week could reverse the currency's slide.

Traders kept an eye on U.S. midterm elections, whose outcome may usher in an era of divided government in Washington that would likely foil big social spending plans by Democrats.

The yield on the two-year bund rose to 2.196%, a 25-basis-point gain from a week ago.

The euro rose 0.55% to \$1.0074, while the Japanese yen strengthened 0.75% against the dollar at 145.55.

In the commodities market, Oil prices were muted in early trade on Wednesday as investors weighed slowing economic growth in China against potentially tightening supply, while signs of a bigger-than-expected build in U.S. inventories kept sentiment subdued.

Crude markets slumped 3% on Tuesday, sharply reversing recent gains as signs of slowing economic activity in China brewed more concerns over the country's crude demand. Data on Wednesday showed Chinese factory inflation slowed for the first time in a year in October, indicating that manufacturing activity is likely to remain subdued in the near-term.

London-traded Brent oil futures rose 0.2% to \$95.30 a barrel, while West Texas Intermediate crude futures fell 0.2% to \$88.78 a barrel by 21:32 ET (02:32 GMT).

Crude markets were privy to some profit taking after a strong rally over the past two weeks.

Gold prices jumped to a one-month high on Wednesday, benefiting from resurgent haven demand and a weakening dollar as investors awaited the results of the U.S. midterm elections, with broader metal prices also gaining.

Spot gold traded above \$1,700 for the first time since early-October, rising to \$1,712.62 an ounce by 18:44 ET (23:44 GMT), while gold futures edged up to \$1,715.90 an ounce. Both instruments jumped over 2% in late trade on Tuesday.

In the commodities market, Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.55%	2.00%
3 Months	7.00%	2.50%
6 Months	7.50%	3.25%
1 year	8.00%	4.00%

Indicative Cross Rates

	Bid	Offer
EUR/USD	0.9856	1.0295
GBP/USD	1.1350	1.1765
USD/AED	3.6630	3.6832
USD/JPY	143.25	147.55