

DOMESTIC NEWS

The Kenya shilling was little changed against the greenback on Friday, as supply and demand somewhat evenly matched.

Fickle dollar supply by corporate players was evenly matched by a dearth in activity on the foreign currency demand counter that left the home unit stuck within confined ranges versus the buck.

In the new week, we see the USD KES pair trading within narrow ranges. That said, players remain on the edge ahead of the Monetary Policy Committee deliberations expected tomorrow. MPC is expected to cut the rate by 50bps.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.45	108.15
GBP/KES	124.87	133.19
EUR/KES	108.62	118.45
JPY/KES	0.92	1.07

Forward Rate(USD)(1 month)	
BUY	101.40
SELL	109.45
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.19%	3.92%	-27.00
91-Day T-bill	7.253%	7.266%	+1.30
182-Day T-bill	8.151%	8.192%	+4.10
364-Day T-bill	9.161%	9.173%	+1.20
Inflation	5.78%	5.62%	-5.00


INTERNATIONAL NEWS

The U.S. dollar was in demand against the major currencies on Friday as simmering U.S.-China tensions flared up, prompting investors to seek the traditional safe haven. The latest source of Sino-U.S. disagreement came after Beijing moved to impose a new security law on Hong Kong after last year's pro-democracy unrest. The decision drew a warning from President Donald Trump that Washington would react "very strongly" against the attempt to gain more control over the former British colony.

The euro dropped against the dollar even as analysts at MUFG Bank, pointed out that the Eurozone economy was beginning to pick-up, but warned that the outlook remains highly uncertain. They see the downside risks for the euro have eased, but at the same time, limited upside potential for now.

Pound fell against the dollar as Britain posted a record budget deficit in April as the government unleashed an unprecedented package to prevent the collapse of the virus-stricken economy. The budget deficit stood at 62.1 billion pounds (\$76 billion) last month, the Office for National Statistics said Friday. Earlier today in Asia, the USD/JPY pair gained 0.23% as Japan lifted the state of emergency for the last five prefectures, including capital city Tokyo, on Monday.

Indicative Deposit Rates			
	Amounts > KES 20 million		Amounts > 100,000
	KES	USD	EURO
Call	3.00%	0.15%	0.00%
1 month	4.25%	0.25%	0.00%
3 months	4.50%	0.35%	0.00%
6 months	5.00%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1620
GBP	1.180	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

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