

DOMESTIC NEWS

The Kenya shilling held steady on Monday but weakened in the afternoon session to close 10 cents lower from the previous day.

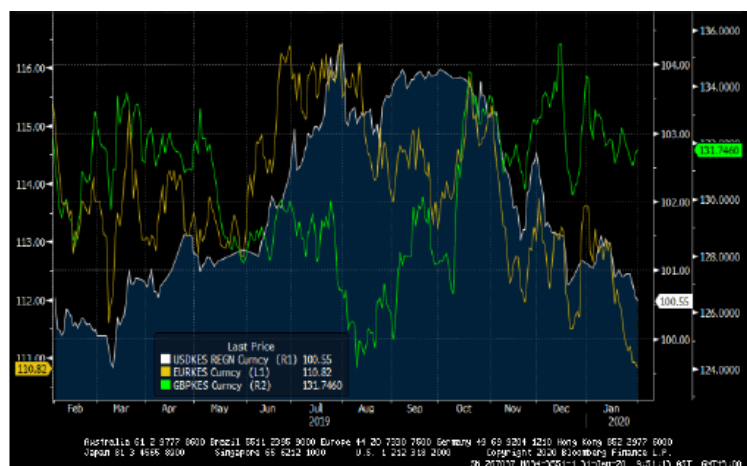
Dollar demand was largely matched by inflows throughout the day however increased demand later in the day pushed the shilling slightly lower against the greenback

We expect the USDKES pair to oscillate around the current levels albeit with a bullish bias for the shilling as inflows support the local unit.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	99.40	109.45
GBP/KES	125.22	137.50
EUR/KES	110.90	124.40
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	101.65
SELL	109.85
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.58%	2.33%	-25.00
91-Day T-bill	7.333%	7.259%	-7.40
182-Day T-bill	8.248%	8.060%	-18.80
364-Day T-bill	9.198%	9.030%	+16.80
Inflation	5.62%	5.47%	-15.00



Source: Bloomberg

INTERNATIONAL NEWS

The greenback traded higher in the morning session however the tide changed in the New York session as risk on sentiment, fuelled by announcement that the FED plans to purchase corporate bonds in the secondary market, sent the US currency plummeting against major currencies. The FED aims to improve market functioning through this purchase in the wake of the coronavirus pandemic.

The Euro benefited from a weaker dollar gaining 0.52% on Monday. Today's economic calendar is full with Germany's inflation data and economic sentiment scheduled for release as well as US May retail sales.

Sterling traded 0.36% higher against the buck owing to the latter's broad weakness. The UK May labour data released today indicates improvement in economy with unemployment at 3.9% compared to the expected 4.5% however average earnings were lower than the consensus. Job claims reduced by nearly half from April but still higher than market consensus.

The safe-haven Japanese yen held firm against dollar, settling back into a range held since April, suggesting some investors remain cautious.

Indicative Deposit Rates				
	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	3.00%	0.25%	0.00%	
1 month	4.70%	0.25%	0.00%	
3 months	5.25%	0.35%	0.00%	
6 months	5.50%	0.50%	0.00%	

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1520
GBP	1.1800	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

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