

DOMESTIC NEWS

The Kenya shilling traded higher against the greenback on for the second consecutive day to close near its' highest level for the week.

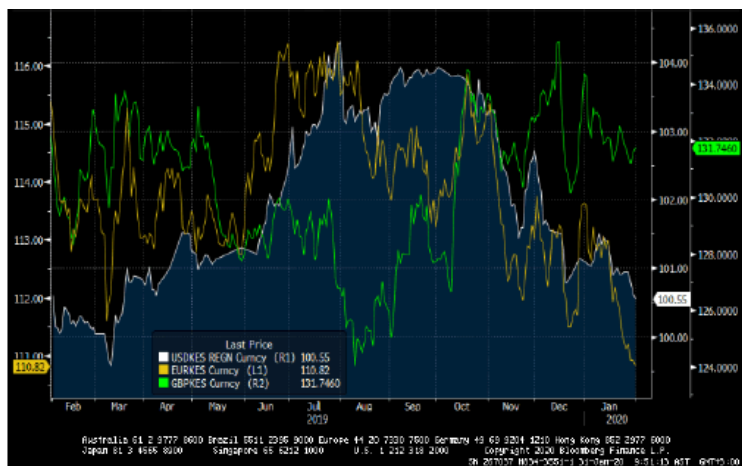
Dollar demand eased off amid slowdown in market activity offering support for the home unit. The regulator further supported shilling by mopping up excess liquidity to the tune of KES 5.3 Billion through 7-day, 14-day and 21-day Term Auction Deposits.

The USDKES is likely to trade lower in today's session as potential inflows from non-governmental institutions looking to finance their activities offer support to the shilling.

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	2.45%	2.53%	+8.00
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 U.S. dollar extended its gains on Wednesday as market demand for safe haven assets surged due to an increase in coronavirus cases in some U.S states and in Beijing. The dollar index which measures the currency's strength against a basket of currencies was up by 0.14% in the afternoon session. Today's economic calendar is light except for initial jobless claims for the week ended 12th June expected at 1.3 million

The Euro was among the weakest currencies sliding 0.25% against the buck. Economic data showed little improvement further suppressing the common currency. Annual CPI came in at 0.1%, as expected, although the lowest in years, while construction output fell by 14.6% in April, after shrinking by 15.7% previously.

Brexit developments continued to weigh down on the Sterling with the EU taking a hard stance on the possibility of another extension. The Bank of England policy meeting starts today with policymakers expected to expand quantitative easing but leave the interest rate unchanged.

The yen edged higher in the Asian market as concerns about a rise in coronavirus cases fortified the demand for safe-haven assets.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	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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