

### DOMESTIC NEWS

The shilling traded sideways versus the dollar, in what was a quiet session.

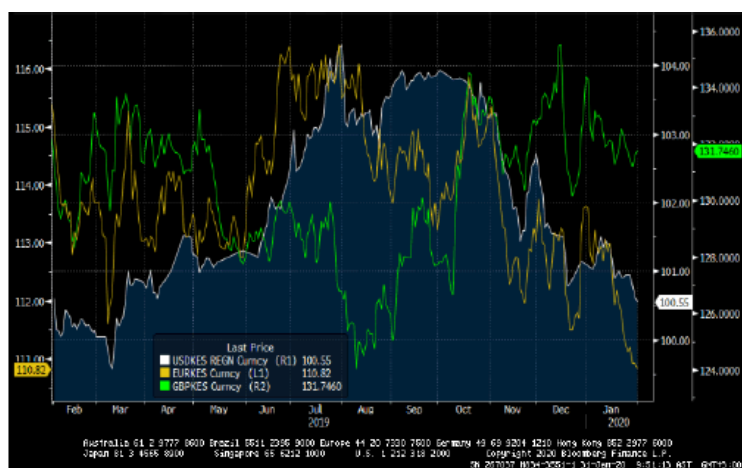
The local unit made marginal gains against the greenback, supported by end month inflows early in the session. Demand for the buck however picked up later in the day, leaving the USDKES pair unchanged from previous close.

We expect the shilling to remain within the current ranges, as market participants look out for fresh factors to offer price direction for 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	4.53%	4.23%	-30.00
91-Day T-bill	7.259%	7.089%	-17.00
182-Day T-bill	8.060%	7.739%	-32.1
364-Day T-bill	9.030%	8.667%	-36.30
Inflation	5.62%	5.47%	-15.00



Source: Bloomberg

### INTERNATIONAL NEWS

The US dollar showed some signs of life amid a wild Asian ride this Tuesday, as the risk sentiment swung dramatically on the US-China trade deal mix-up. The market mood turned upbeat once again after US Pres. Donald Trump assured markets that the trade deal is intact.

The EUR/USD pair accelerated its advance fuelled by strong EU Market PMIs. The pair has added nearly 150 pips so far this week. IHS Markit's June euro zone Flash Composite Purchasing Managers' Index, a broad gauge of economic activity, beat expectations with a bounce to 47.5 on Tuesday from May's 31.9. Although that is still below the 50 mark separating growth from contraction, the improvement in business sentiment gave support to a sense that growth is returning at a pace.

The GBP/USD pair reversed a mid-European session dip and headed back towards the top end of its daily trading range at sessions close. UK Manufacturing PMI jumped back into the expansion territory and came in at 50.1 in June. Adding to this, the gauge for the UK services activity also surpassed consensus estimates and climbed to 47 for June from 29 previous.

Earlier in Asia, Tokyo Governor Yuriko Koike crossed wires, warning that the new coronavirus (COVID-19) numbers are large today while also adding that workplace clusters are a problem. This led the USD/JPY pair to slip 0.1%.

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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