

### DOMESTIC NEWS

The domestic unit conceded further ground against the greenback on account of augmented demand for the buck.

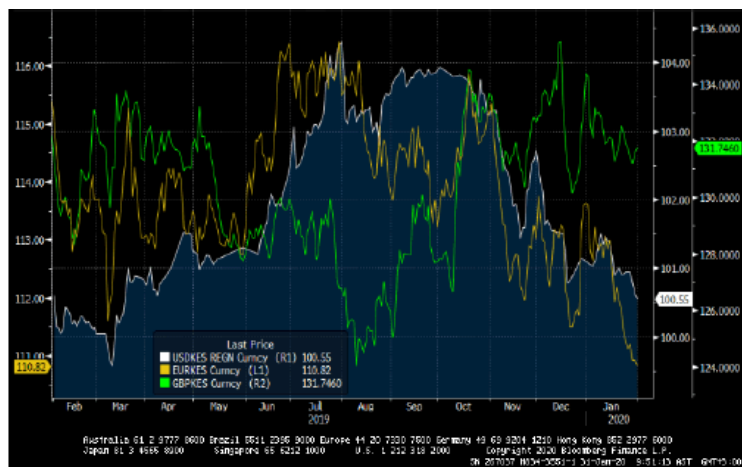
The home unit's slow march south was due to increased dollar appetite from both corporate and interbank players which overwhelmed the fickle foreign currency inflows, pushing the local unit marginally lower.

The shillings movement is likely to remain flow-driven today, as foreign currency demand and supply battle for supremacy in the local FX market.

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	3.75%	3.89%	+14.00
91-Day T-bill	7.089%	6.700%	-38.90
182-Day T-bill	7.739%	7.395%	-34.40
364-Day T-bill	8.667%	8.194%	-47.30
Inflation	5.62%	5.47%	-15.00



Source: Bloomberg

### INTERNATIONAL NEWS

The dollar came back into favour yesterday after concerns about mounting coronavirus cases and the impact on the economic recovery prompted return to safe haven. Over 36,000 new U.S. cases were recorded on Wednesday, a few hundred shy of an April 24 record high, making investors more pessimistic about the chances of a quick economic recovery.

Britain also flashed red signals after PM Boris Johnson eased lockdown restrictions. The latest data suggests 149 new virus-related deaths. The same put the Tory leader's push for normal conditions in danger. Other than the virus woes, Brexit is also probing the pair's momentum, with Chief Negotiator David Frost stating EU's unrealistic positions will have to change if negotiations are to move forward. Despite all this, Cable was up 0.05% on the day, benefiting from dollar's mild weakness.

The European Central Bank's (ECB) Governing Council is ready to adjust the full range of its monetary policy instruments to curb the negative economic impact of CV-19, the accounts of the ECB's June meeting showed on Thursday. That said, the EUR/USD pair continued to edge lower, losing 0.38% on the day.

Earlier in Asia, looming coronavirus risks globally and broad US dollar strength continued to keep the USD/JPY pair torn apart, as it traded flat around 107.15.

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

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