

### DOMESTIC NEWS

The Kenya shilling held firm against the greenback, trading within a tight range throughout Wednesday's session.

Dollar demand eased off amid slowdown in market activity offering stability to the USDKES pair. The regulator further supported the home unit by mopping up excess liquidity to the tune of KES 25 Billion through a 7-day Term Auction Deposit at 3.26%

Market chatter points to limited market activity with the USDKES currency pair expected to remain range bound around current levels.

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	3.26%	3.14%	-12.00
91-Day T-bill	7.089%	6.700%	-38.00
182-Day T-bill	7.739%	7.395%	-34.4
364-Day T-bill	8.667%	8.194%	-47.30
Inflation	5.33%	4.59%	-34.00



Source: Bloomberg

### INTERNATIONAL NEWS

The dollar extended its losses against major currencies on the first day of Q3 as improving economic data fueled a risk on sentiment. Private payrolls increased by 2.369 million however employers announced more than 170k layoffs in June. Manufacturing activity in the same month improved with the index rising to 52.6 from 43.1 in May. US employment report for the month of June is scheduled for release today with the market expecting 3 million new jobs.

The euro was bid against the greenback on Wednesday gaining 0.2%. Minutes from the FED Reserve meeting indicated that US economic outlook remained uncertain and its recovery was pegged on controlling the coronavirus pandemic. Eurozone PMI registered a rise to 47.4 from 39.4 last month, further boosting the single currency.

Sterling traded higher as demand for the safe-haven dollar eased off following positive economic data. Britain's PMI rose to 50.1 from 40.7 in May signifying economic growth since the plunge in February. Uncertainty around the Brexit deal continue to weigh on the currency pair, with pound having dropped 6.5% against the buck this year.

The Japanese yen held onto its gains in the Asian market having gained against the buck at US market close. The market however remains cautious as worries over the coronavirus mute aggressive risk taking.

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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