

DOMESTIC NEWS

The home currency drifted further south versus the U.S dollar closing the day marginally weaker.

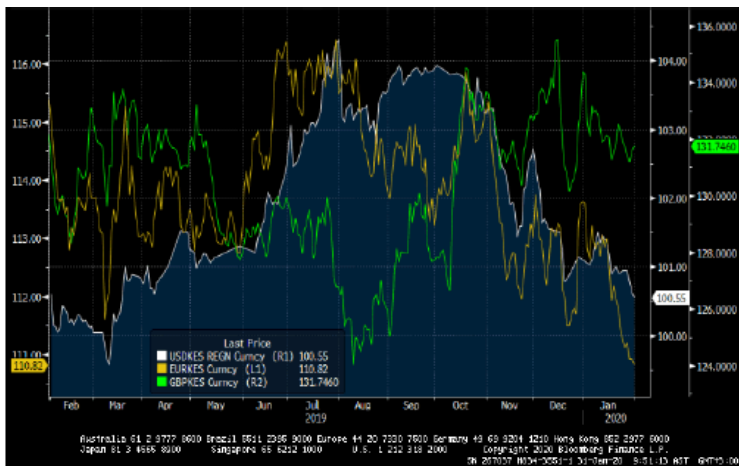
Foreign currency inflows from various sectors of the economy could not hold the gush of increasing foreign currency appetite, dragging the USDKES pair upwards although gradually.

Heading into the weekend, the expectation is that the local unit will continue trading with a bearish bias, amid decreased foreign currency inflows even as demand for the greenback swells, both locally and internationally.

Amounts "100,000"	Today's Opening	
	BUY TT	SELL TT
USD/KES	99.80	110.05
GBP/KES	126.00	137.90
EUR/KES	112.00	125.50
JPY/KES	91.11	108.05

Forward Rate(USD)(1 month)	
BUY	101.70
SELL	109.85
3 Months	
BUY	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	1.69%	1.67%	-2.00
91-Day T-bill	6.546%	6.274%	-27.20
182-Day T-bill	7.048%	6.759%	-28.90
364-Day T-bill	7.769%	7.700%	-6.90
Inflation	5.33%	4.59%	-74.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar was modestly higher yesterday, receiving support from reduced risk appetite thereby increasing demand for safe haven currencies as pressure from geopolitical tensions and increased cases of coronavirus infections threaten to curb economic activity. China and the U.S have been at loggerheads over a wide-range of issues including; disputes over civil liberties, access to technology, and territorial claims.

The EUR/USD currency pair traded within range after the ECB made no further changes to their current monetary stance, giving signs of an economic recovery within the bloc. The policymakers will also be keenly following developments in Brussels where E.U leaders are set to approve a fiscal package that would help the central bank's efforts to stimulate economic activity.

The pound took a further dip against the dollar, on Thursday, after a wave of risk aversion swept through markets. The fall was despite printed data that showed a slowdown in unemployment cases in June compared to previous months' since the pandemic began. June's drop of slightly over 74,000 was much less significant than April's 450,000 fall and was smaller than the fall in May.

In early Asian trading the yen showed little movement against the buck, after taking a 0.3% hit in the previous session.

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