

DOMESTIC NEWS

The Kenya shilling extended its losses against the dollar in Tuesday's trading session.

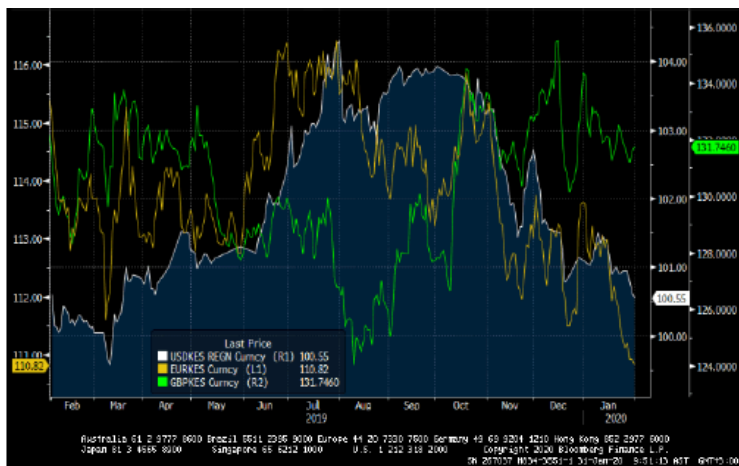
Foreign currency supply remained muted while activity picked up on the demand side, tipping the scale against the home unit.

The USDKES pair is expected to remain broadly stable amid slowdown in market activity.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.60	110.65
GBP/KES	131.66	143.44
EUR/KES	117.40	131.58
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	100.70
SELL	111.35
3 Months	
Buy	101.20
SELL	112.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.29%	3.01%	+72.00
91-Day T-bill	6.112%	6.121%	+0.90
182-Day T-bill	6.440%	6.455%	+1.50
364-Day T-bill	7.370%	7.391%	+2.10
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

INTERNATIONAL NEWS

The tide turned against the US dollar as it traded lower on Tuesday. The greenback was down 0.16% against a basket of currencies as the market focused on the ongoing discussions on the coronavirus aid bill. The immediate direction of the US currency will be influenced by these discussions as well as the economic impact of the new coronavirus cases. Jobless claims due on Thursday and the jobs report on Friday is key for the king dollar.

It was a choppy day for the Euro, trading higher against the dollar in the morning session but closing the day below its intraday high. The EU June Producer Price Index rose by 0.7% but declined by 3.7% YoY. EU June retail sales are scheduled for release today with the market expecting a 5.5% rise.

The British Pound erased earlier gains, dropping 0.27% against the greenback in the New York trading session. The move lower halted sterling's advance to a five-month high seen last week. Bank of England's policy meeting on Thursday will be key for the currency pair, with market pricing in the possibility of negative interest rates in the UK by early next year.

Falling US yields pushed the Japanese yen higher against the dollar in the early Asian market as the 10-year treasury fell to a monthly low of 0.51%.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	2.75%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.00%	0.35%	0.00%
6 months	5.25%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1020	1.2320
GBP	1.2200	1.3670
JPY	99.65	114.50
CHF	0.8950	1.0650

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