

DOMESTIC NEWS

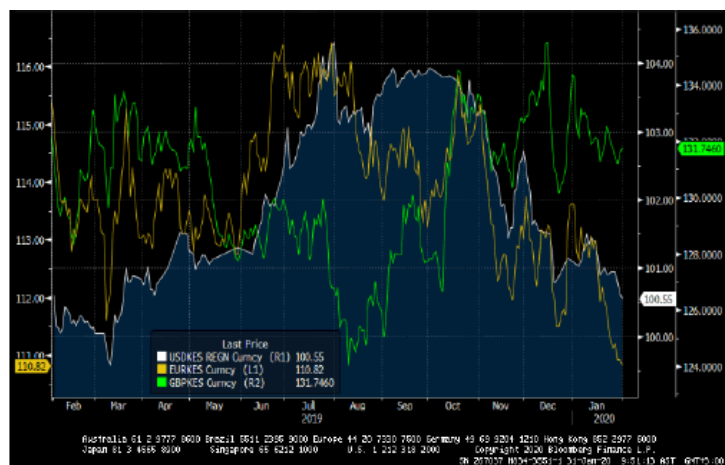
The Kenya Shilling closed the first trading day of the week a touch weaker against the U.S dollar owing to increased foreign currency appetite.

Market activity was slow to pick up as a number of major corporates remained on the sidelines. However, some buying took place later in the day as market players assessed their dollar needs and others covered their positions.

The local unit is expected to trade within the current ranges and flows coupled with liquidity in the local currency is likely to guide the trading direction.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	101.87	111.30	102.00	111.60
GBP/KES	135.30	146.10		
EUR/KES	120.40	132.86		
JPY/KES	96.00	110.00		
			3 Months	
			Buy	102.50
			SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.06%	2.76%	-30.00
91-Day T-bill	6.273%	6.295%	+2.20
182-Day T-bill	6.625%	6.627%	+0.20
364-Day T-bill	7.507%	7.554%	+4.70
Inflation	4.59%	4.36%	-23.00



INTERNATIONAL NEWS

Monday's trading saw the greenback post some gains against a basket of currencies despite thin trading volumes experienced as a result of the U.S labour day holiday. Geopolitical strains as well as the recently released U.S jobs data provided the buck with the much needed impetus, more so after its recent slump to a two-year low at the start of the month.

The EUR/USD pair retracted further from recent highs on Monday as investors adopted a wait-and-see mindset, primarily on whether the ECB's policymakers will introduce more stimulus in Thursday's meeting.

The Sterling pound continued its rundown against the dollar, sliding more than 1.0 percent, after The E.U in a quick rejoinder told Britain that there would be no trade deal if it tried to toy with the Brexit divorce treaty. This was after reports emerged that Prime Minister Boris Johnson's government was crafting a new legislation that would countermand some clauses of the Brexit Withdrawal Agreement it signed in January.

In early morning trading, the yen exchanged hands around the 106.30 levels against the dollar even as talks of a snap election in Japan intensify.

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	1.1240	1.2640
GBP	1.2520	1.3950
JPY	99.65	114.50
CHF	0.8320	0.9730

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