

DOMESTIC NEWS

The shilling held steady against the greenback in what was characterized as a quiet trading session.

The Monetary Policy Committee yesterday held the Central Bank Rate steady at 7.00% as expected by the markets. This decision to maintain the rate was against a backdrop of rising inflation expectations and enhanced economic recovery prospects. Market was little moved by this news and flows remained well matched leading the USDKES pair to keep steady throughout the session.

Looking ahead, indications are that market may hold out at the current range before committing to fresh direction.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.90	112.65	105.65	115.65
GBP/KES	144.55	154.65		
EUR/KES	125.25	136.75		
JPY/KES	102.45	111.75		

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.62%	5.71%	+9.00
91-Day T-bill	6.983%	6.897%	-8.60
182-Day T-bill	7.508%	7.578%	+7.00
364-Day T-bill	8.508%	8.623%	+11.50
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

INTERNATIONAL NEWS

The safe-haven U.S. dollar fell on Thursday as risk sentiment improved after data showed that U.S. jobless claims fell in the latest week, while dire gross domestic product figures met expectations.

Investors are also awaiting news of U.S. President Joe Biden's fiscal spending package, with worries that the proposed \$1.9 trillion deal will not come as large as expected.

The euro was up against the greenback even as European Central Bank (ECB) policymakers stepped up their mentions of the euro, with the most recent comments indicating that the ECB could cut its deposit rate to check the strength of the continent's shared currency.

The pound jumped to a more than two-and-a-half year high, despite experts warning of "excessive optimism" in the currency amid uncertainty over the U.K. economy, which is set to suffer a further dent from an extended lockdown.

The dollar was up against the yen in Asia earlier today supported by higher U.S. Treasury yields.

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	1.1210	1.2800
GBP	1.2690	1.4480
JPY	99.50	114.35
CHF	0.8350	0.9340

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