

DOMESTIC NEWS

The home unit was on a downward path against the U.S dollar in Friday's trading session on the back of dollar demand.

Appetite for the greenback from interbank players saw the USDKES currency pair closing the day marginally lower from previous close.

We anticipate the local unit to trade lower in the coming days but still holding within a now familiar narrow band as we approach end month.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	105.60	111.60	105.90	112.80
GBP/KES	145.20	154.40		
EUR/KES	124.85	136.05		
JPY/KES	101.55	108.20		
			3 Months	
			Buy	106.70
			SELL	114.85

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.03%	4.03%	0.00
91-Day T-bill	6.905%	6.911%	+0.60
182-Day T-bill	7.644%	7.684%	+4.00
364-Day T-bill	8.824%	8.931%	+10.7
Inflation	5.62%	5.69%	+7.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar edged lower on Friday as market participants favored currencies associated with risk-on sentiment over the safe-haven greenback. Risk appetite was stoked by better-than-expected economic data and expectations that U.S. President Joe Biden's proposed \$1.9 trillion coronavirus relief package will come to fruition.

The EUR/USD pair traded flat amidst a continued rise in Treasury yields. The US 10-year yield has reached a fresh 12-month high of 1.39%, taking the year-to-date gain to 47 basis points.

Cable hit \$1.40 against the greenback for the first time in nearly three years as analysts bet on a rapid pace of vaccinations and fading Brexit woes. Investors expect this to lead to an economic rebound from Britain's biggest economic contraction in 300 years.

The USD/JPY pair was up 0.22% in early morning trading with the dollar holding steady against the yen. As the local yields remains anchored by the Bank of Japan, the yen remains particularly sensitive to the U.S. bond market; dropping 2% this year while U.S. ten-year yields have climbed nearly 50 basis points.

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	1.1290	1.2690
GBP	1.3150	1.4550
JPY	100.60	112.60
CHF	0.8160	0.9560

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