



23<sup>rd</sup> February 2021

## **DOMESTIC NEWS**

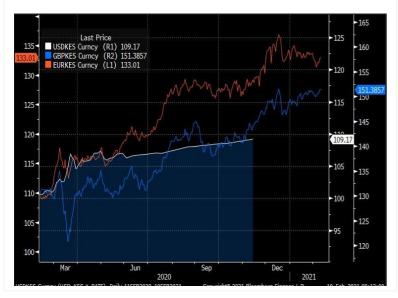
The Kenya shilling traded flat against the greenback in Monday's trading session.

The session saw the local unit unchanged versus the greenback on the back of minimal but matching flows on both the demand and supply counters. The regulator mopped KES 5.50B through a 7-day Term Auction Deposit at 6.13% further lending support to the local currency.

The outlooks points to the local currency trading within the current ranges albeit with a slightly bearish bias as foreign currency buyers troop back into action for their end month dollar demand.

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

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.03%	4.18%	+15.00
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



## **INTERNATIONAL NEWS**

The U.S. dollar plunged on Monday reaching multiyear lows against major currencies. The greenback latest slide comes amidst the belief that the U.S. will go farther than necessary to support the economy with government spending and easy money policies, which will fuel inflation and additional debt. The market will be keenly watching Jerome Powell's, Federal Reserve Chair, semi-annual update on the economy to the Senate Banking Committee on Tuesday and House of Representatives Financial Services Committee on Wednesday.

The Euro rose 0.4% against the dollar after data showed German business morale rose more than expected in February due notably to the country's resilient industrial sector powering along Europe's largest economy despite lockdown restrictions.

Sterling continued a frantic two-month rise against the dollar, reaching new highs this week in a sign of traders' enthusiasm for the country's vaccination rollout. Investors are betting on the UK's vaccination rollout bringing about an economic recovery and Prime Minister Boris Johnson's publication Monday of a "cautious but irreversible" roadmap to ease lockdown restrictions by July.

Further, in Asia, the Japanese yen, which has been the worst performing major currency of 2021 because of its sensitivity to tumbling U.S. Treasury prices, saw the USD/JPY pair inched down 0.11%.

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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