

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 outlook 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 "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%	4.18%	+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 multi-year 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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