

DOMESTIC NEWS

Market activity in the local scene frowned upon the Kenya shilling as it traded lower against the US dollar.

The local unit came under pressure amidst dollar demand from various sectors of the economy with limited foreign currency supply thrusting the local currency to close slightly lower from previous day's closing levels.

Looking ahead, we expect USDKES to trade within the now familiar confined ranges but with a bias of a weaker shilling as corporates through the market to meet 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	4.18%	4.11%	-7.00
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 dollar traded modestly higher on Tuesday afternoon after U.S. Federal Reserve chair Jerome Powell pushed back on suggestions that loose monetary policy risked unleashing inflation. The U.S. Federal Reserve Chair Jerome Powell reiterated that interest rates will remain low and the Fed will keep buying bonds to support the U.S. economy.

The EUR/USD pair traded flat with the European Central Bank President Christine Lagarde's recent comments that board members are "closely monitoring" rising sovereign bond yields stoking fears of central bank intervention.

The GBP/USD pair gained 0.34% rising to its highest level since March 2018 after U.K. Prime Minister Boris Johnson introduced a plan to ease current lockdown restrictions in stages as the country continues its rapid COVID-19 vaccine rollout.

In early Asian trading, dollar held steady against Japanese yen after Powell opposed suggestions that loose monetary policy will lead to runaway inflation and financial bubbles.

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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