

DOMESTIC NEWS

The home unit held firm against the U.S dollar in Monday's rather dull trading session.

The dearth of activity in the local foreign exchange market persisted into the new week, seeing the home unit close the day flat against the greenback for a third consecutive session, as dollar inflows and outflows matched across the FX counters.

Devoid of new market stirring events, we anticipate the USDKES pair to endure within the current tight but familiar levels.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	103.95	112.35	106.20	112.95
GBP/KES	145.90	156.50		
EUR/KES	121.95	133.15		
JPY/KES	96.85	104.75		
			3 Months	
			Buy	106.75
			SELL	115.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.66%	5.71%	+5.00
91-Day T-bill	7.024%	7.071%	+4.70
182-Day T-bill	7.832%	7.884%	+5.20
364-Day T-bill	9.144%	9.213%	+6.90
Inflation	5.62%	5.69%	+36.00



Source: Bloomberg

INTERNATIONAL NEWS

The American currency came under renewed pressure yesterday, as US Treasury yields retreated from their multi-month highs. Earlier in the day, Data from the US revealed that the Chicago Fed's National Activity Index dropped to -1.09 in February and missed the market expectation of 0.21. Later today, investors will focus on the joint congressional testimony by Fed Chair Jerome Powell and Treasury Secretary Janet Yellen.

The EURUSD pair started the day on a bearish tone, however, the pair reversed its direction and rose steadily throughout the day on the back of dollar weakness. On the other hand, Christine Lagarde, President of the European Central Bank (ECB), said on Monday that the near-term economic outlook for the Eurozone is subject to uncertainty. Lagarde reiterated that the ECB is ready to adjust instruments as appropriate, to ensure that inflation moves towards the target in a sustained manner.

The GBP/USD pair slipped slightly on mounting tensions between the UK and the EU, as the latter is reportedly set to stop exporting vaccines to the UK as delivery delays are still a huge problem for the Union. Today, investors eye UK jobs data to provide direction for Cable.

Earlier today in Tokyo, the US dollar was lower against the safe haven yen as US yields sunk capping the greenback's advance.

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	1.1110	1.2710
GBP	1.3110	1.4510
JPY	100.80	112.80
CHF	0.8465	0.9765

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