

DOMESTIC NEWS

The Kenya Shilling was the stronger currency in Tuesday's session aided by an uptick in foreign currency supply.

The local currency's upward trend against the greenback resumed, as dollar sellers just about edged demand for foreign currency. The USDKES currency pair dipped 5 cents by the closing bell.

We see an increase in midmonth FX activity, where the demand counter, which has been relatively mute, is expected to pick up. This could mitigate further significant decline in the USDKES pair.

Amounts	Today's	
"100,000"	Opening	
	Buy TT	Sell TT
USD/KES	101.40	109.65
GBP/KES	144.50	154.95
EUR/KES	125.05	133.85
JPY/KES	92.45	101.75

Forward Rate(USD)(1 month)	
BUY	101.35
SELL	111.45
3 Months	
Buy	101.85
SELL	112.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.15%	4.19%	+4.0
91-Day T-bill	7.137%	7.104%	- 3.30
182-Day T-bill	7.818%	7.731%	- 8.70
364-Day T-bill	8.973%	8.648%	-32.50
Inflation	5.90%	5.76%	-14.00



INTERNATIONAL NEWS

The U.S. dollar hit a 1-month high against a basket of major currencies on Tuesday, ignoring lower-than-expected U.S. Retail Sales data for May and instead focused on April figures that were revised higher. Attention now shifts to the Fed's two-day meeting that ends later today and its policy statement to be issued afterwards.

The euro initially gained but later pared those gains against a resurgent dollar in the second half of the session. Eurostat Data released earlier showed that the euro area's trade surplus widened to €9.4 billion in April.

The pound continued to struggle against the greenback as it touched 1-month lows before recouping some losses, after U.K.'s government's decision to delay the final stage of easing lockdown measures dampen prospects for a rapid economic recovery from the pandemic.

Earlier today in Asia, the yen remained near a 2-month low against the dollar, subdued by data that showed Japanese trade balance contracted to JPY187.1 billion year-on-year.

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	1.1330	1.2930
GBP	1.3390	1.4890
JPY	104.05	114.05
CHF	0.8385	0.9685

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