

DOMESTIC NEWS

The shilling continued to remain well entrenched within recent levels, ending the day sturdy after failing to commit to either direction, for the sixth consecutive session.

There was evident appetite for the dollar, which persisted throughout yesterday's session but the home unit refused to yield. It received support in the form of foreign currency inflows from various sectors of the economy, which balanced demand leading the USDKES currency pair to remain unchanged.

In the day ahead, range bound trading is expected to remain dominant with flows being the prevailing driver for the USDKES pairs direction.

Amounts	Today's Opening	
"100,000"	Buy TT	Sell TT
USD/KES	102.55	110.80
GBP/KES	142.50	153.30
EUR/KES	121.00	132.50
JPY/KES	92.70	102.00

Forward Rate(USD)(1 month)	
BUY	101.75
SELL	110.70
3 Months	
Buy	102.35
SELL	112.70

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.86%	4.90%	+0.04
91-Day T-bill	6.860%	6.728%	- 13.20
182-Day T-bill	7.317%	7.228%	- 8.90
364-Day T-bill	7.729%	7.661%	-6.80
Inflation	5.87%	6.32%	+45.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S dollar traded with an upward bias, closing in on a three-month high traded recently, after minutes of the Federal Reserve's June policy meeting confirmed the world's biggest central bank is moving toward tapering its asset purchases as soon as this year. Participants from the meeting felt conditions for curbing the bond buying that is supplying markets with liquidity would be met somewhat earlier than they had anticipated.

German data released on Tuesday continued to weigh down the euro yesterday. The single currency will be looking for joist from Christine Lagarde's press briefing scheduled for later today, after the monetary authority announces the outcome of an 18-month strategy review, which is likely to include a shift in the inflation target to 2% from "below but close to 2%" currently - which would theoretically allow for inflation overshoots.

The British pound traded bearishly in contrast to a strengthening dollar as a risk-off mood dominated markets after the publication of the most recent U.S. Federal Reserve meeting minutes. Furthermore, investors are weary after the British government also warned that the number of coronavirus cases could climb as measures are relaxed.

Early Tokyo trading witnessed the USDJPY currency pair trade slightly lower, as pressure from the slide in U.S treasury yields continue to boost cautious trading amongst investors.

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	1.2775
GBP	1.3105	1.4795
JPY	104.00	114.10
CHF	0.8480	0.9995