

DOMESTIC NEWS

The local currency pulled back slightly versus the US dollar in the mid-week trading session.

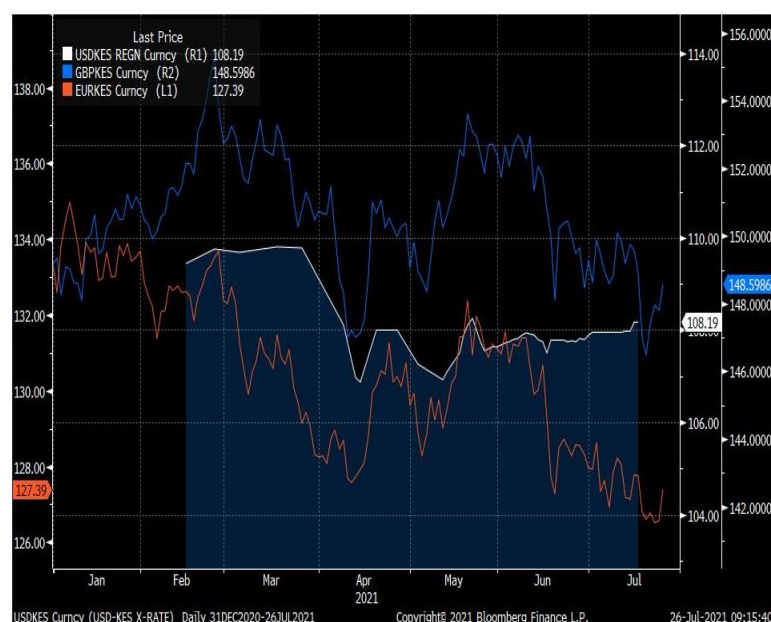
A slight uptick in demand for the hard currency in the first hour of trading pushed the USDKES pair marginally higher, with sporadic foreign currency inflows failing to give the home unit any luster, causing the shilling to close 5 cents lower on the day.

Looking ahead, we expect flows to give clues on the direction for the USDKES pair.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	102.55	110.80
GBP/KES	142.95	152.50
EUR/KES	121.10	131.40
JPY/KES	92.70	102.40

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	3.36%	3.25%	-11.00
91-Day T-bill	6.520%	6.477%	- 4.30
182-Day T-bill	6.984%	6.955%	- 2.90
364-Day T-bill	7.506%	7.432%	-7.40
Inflation	5.87%	6.32%	+45.00



Source: Bloomberg

INTERNATIONAL NEWS

The greenback gathered strength on positive data and hawkish comments from the FED vice chair, Richard Clarida. A weaker-than-expected reading of the ADP private employment report weakened the greenback across the board earlier in the day. While ISM service sector and Clarida's comments favoured the dollar. The Automatic Data Processing (ADP) Research Institute reported on Wednesday that the private sector employment increased by 330,000 in July, missing analysts' estimate of 692,000 by a wide margin.

The EUR/USD pair reversed sharply amid a US dollar rally, falling from the highest level in three days to a one-week low on the back of broad dollar strength. Investors shied away from riskier assets due to the concerns of the spread of the highly contagious delta variant and its impact on the fragile economic recovery. On the data front, Eurozone retail sales came in weaker than expected rising by 1.5% in June, compared with market expectations of a 1.7% increase.

The GBP/USD pair rose to daily highs in the early trading hours of the American session but failed to preserve its bullish momentum, as the greenback regathered its strength, causing the pair to reverse its direction. Today, the Bank of England (BoE) will announce its monetary policy decisions.

Earlier today in Tokyo, the USDJPY pair traded at 109.60 lines.

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	1.1060	1.2650
GBP	1.3010	1.4600
JPY	103.00	117.10
CHF	0.8450	0.9990

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