

DOMESTIC NEWS

The domestic unit extended its losses on Wednesday, closing the day a touch lower from the previous day.

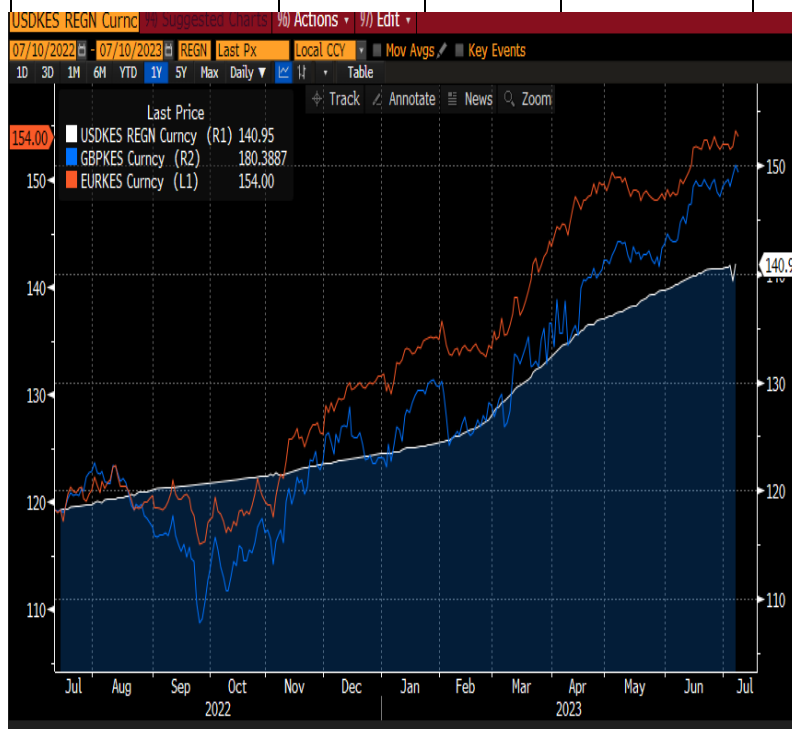
Initial trading saw an uptick in demand for foreign currency from various sectors of the economy, causing the USD/KES pair to move a tad higher by market close.

We expect the Kenya shilling to continue its bearish run due to anticipated month-end demand albeit within current ranges.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	135.25	145.65
EUR/KES	148.55	163.10
GBP/KES	173.40	190.40
JPY/KES	97.01	106.26

Forward Rate (USD) (1 month)	
BUY	138.10
SELL	147.00
3 Months	
Buy	140.20
SELL	147.80

Money Market Rates	Previous	Current	Change bps
Interbank Rate	12.40%	13.52%	+112.00
91-Day T-bill	12.109%	12.233%	+12.40
182-Day T-bill	12.271%	12.322%	+ 5.10
364-Day T-bill	12.452%	12.708%	+25.60
Inflation	8.00%	7.88%	-12.00



Source: Bloomberg

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INTERNATIONAL NEWS

The U.S. dollar fell against a basket of currencies on Wednesday, after the Federal Reserve delivered a widely-expected interest-rate hike; where it raised interest rates by a quarter of a percentage point, citing still-elevated inflation as a rationale for what is now the highest U.S. central bank policy rate in 16 years. The increase brings the benchmark overnight interest rate in the 5.25%- to 5.50% range. Even though the accompanying policy statement left the door open to another increase, investors took it to be a less hawkish statement, leading to a slight sell off in the dollar.

The euro edged higher 0.36% as the European Central Bank is expected to deliver a similar hike today, but budding evidence of an economic slowdown has called into question the chances of another hike by year-end. Data showed economic growth is slowing across Europe with tighter credit conditions kick in, as seen in weak euro zone loan demand.

The sterling trended higher against the dollar on Wednesday, ahead of a monetary policy decision from the U.S. Federal Reserve. Expectations for what the Bank of England signals when it meets on Aug. 3 have shifted this month with evidence that UK inflation is finally starting to slow after having lingered in double digits for months, as well as a softening in business activity and a cooling in the job market has taken some of the pressure off the BoE to keep raising interest rates.

The Japanese yen remained under pressure in early Asian trading and fell more than 0.1% ahead of the Bank of Japan's monetary policy decision on Friday, where it is seen maintaining its ultra-loose policy stance. BOJ Governor Kazuo Ueda was quoted as saying at a key government meeting on Wednesday that the central bank will maintain accommodative monetary conditions for companies.

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	4.25%	1.00%	1.00%	0.00%
1 month	6.25%	2.00%	2.00%	0.00%
3 months	7.00%	2.25%	2.25%	0.00%
6 months	8.00%	2.35%	2.35%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.0165	1.1685
GBP	1.1900	1.3600
JPY	134.05	143.25
CHF	0.8120	0.9950