DOMESTIC NEWS

At the close of last week, the Kenya shilling traded within confined ranges against the US dollar as foreign currency flows just about evened out at end-month.

The domestic unit held steady versus the greenback on the back of matching flows on both the foreign currency demand and supply counters. A slight uptick in dollar demand in the afternoon session however saw the USDKES currency pair end the session marginally higher from previous close.

Moving on, market chatter alludes to range-bound trading around the now established farrow for the home unit.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	135.25	147.85
EUR/KES	148.55	164.16
GBP/KES	174.20	191.65
JPY/KES	97.01	106.26

Forward Rate (USD) (1 month)	
BUY	138.10
SELL	149.00
3 Months	
Buy	140.20
SELL	149.80

Money Market Rates	Previous	Current	Change bps
Interbank Rate	13.52%	14.84%	+132.00
91-Day T-bill	12.233%	12.352%	+11.90
182-Day T-bill	12.322%	12.392%	+ 7.00
364-Day T-bill	12.708%	12.728%	+2.00
Inflation	8.00%	7.88%	-12.00

Source: Bloomberg

INTERNATIONAL NEWS

The greenback edged lower against its peers on Friday, after the U.S Commerce Department released a report that showed U.S inflation slowed considerably in the 12 months to June, with the personal consumption expenditures index advancing by 3.0%, the smallest annual gain since March 2021. Traders, thus began speculating that the Federal Reserve's aggressive rate-hike cycle - a key driver of the dollar's strength - could have concluded with last week's 25-basis-point increase. The Fed is having to balance its fight against inflation with an economy that is showing signs of slowing, but is still growing faster than expected and with a robust labour market.

The euro rose by 0.05% and was eyeing a monthly gain of about 1% after broad based dollar weakness, though last week's European Central Bank policy meeting similarly raised the possibility of a rate pause in September.

Cable gained 0.04%, ahead of the Bank of England's policy meeting this week where expectations are for a quarter-point rate hike.

The yen edged securely higher on Monday morning against a range of currencies, following a volatile session at the end of last week, after the Bank of Japan (BOJ) loosened its grip on interest rates, and is on track to reverse three consecutive months of losses.

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

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