

DOMESTIC NEWS

The domestic currency's movement was constrained within a narrow range amid lacklustre trading on Friday.

Market activity remained subdued for most of the day, but with corporate demand outweighing inflows, the Kenyan Shilling closed the day a few cents weaker against the U.S Dollar.

In the near term, we anticipate the USD/KES pair will remain within its established range as it seeks new impetus from potential market-influencing data.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	149.20	157.70
EUR/KES	158.52	170.83
GBP/KES	182.77	197.69
JPY/KES	100.26	107.78

Forward Rate (USD) (1 month)	
BUY	145.40
SELL	157.50
3 Months	
Buy	148.95
SELL	159.95

Money Market Rates	Previous	Current	Change bps
Interbank Rate	12.18%	12.09%	-9
91-Day T-bill	15.1112%	15.1863%	+7.51
182-Day T-bill	15.1289%	15.2714%	+14.25
364-Day T-bill	15.3867%	15.4391%	+5.24
Inflation	6.8%	6.9%	+10.00



Source: Bloomberg

INTERNATIONAL NEWS

The US Dollar fell 1% on Friday. The dollar index fell to a 6-week low following weak labor market data which showed lower-than-expected Nonfarm Payrolls data which in turn led to a fall in US bond yields with the 10-year nearing 5-week lows. The data showed that increase in annual wages was the smallest in 2 ½ years, showing easing labor market conditions and the unemployment rate rose to 3.90% compared to previous reading of 3.80%. This raised doubts about further Fed interest rate hikes. The Fed fund futures are now implying an 85% chance the FED is done raising rates and an 80% chance rate cuts will be seen from June 2024.

The EUR/USD had an impressive day of trading on Friday, gaining 1.50%, its best performance since mid-June, buoyed by weaker-than-expected US jobs growth, which reinforced the belief that the Federal Reserve is finished with interest rate hikes. Market interest today shifts to PMI data across the Eurozone.

The Pound strengthened against broadly weaker dollar on Friday, marking its most substantial weekly gain in nearly four months. This rise was triggered by a weaker-than-expected NFP report, causing a correction in dollar long positions, propelling GBP/USD to its highest level in three weeks. The BoE's decision to keep interest rates at 5.25% and the possibility of further rates hikes further solidified the Pound's position in contrast to the U.S. rates.

The Japanese yen appreciated in early Monday trading, strengthening 0.72% since Friday. The Yen benefitted mainly from a general greenback weakness and recovered most of its losses, having been under pressure due to the BoJ's ultra-loose monetary policy.

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	1.0400	1.1550
GBP	1.2000	1.3700
JPY	140.50	150.50
CHF	0.8120	0.9950

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