

DOMESTIC NEWS

The domestic unit held steady against the dollar in a rather subdued trading session on Tuesday.

Balanced flows from importers and exporters contributed to minimal price action.

In the near term, we expect the home unit to remain range bound, with market direction largely determined by the respective counter flows.

Amounts	Spot Rates		Forward Rates		
"100,000"	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.70	134.20
EUR/KES	138.88	158.34	3 Months	127.10	135.60
GBP/KES	166.32	184.99	6 Months	129.20	137.70
JPY/KES	83.18	95.52	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.78%	9.64%	-14.00
91-Day T-bill	8.2927%	8.179%	-11.37
182-Day T-bill	8.5642%	8.4948%	-6.94
364-Day T-bill	10.0000%	9.75%	-25.00
Inflation Rate	3.62%	4.11%	+49.00

Source: Bloomberg



INTERNATIONAL NEWS

The US dollar advanced against majors on Tuesday, with tension in the Middle East escalating as President Trump convened a national security team, leading to speculation that the US could join Israel's military campaign against Iran.

Investors ignored the softer economic data which showed American consumers growing cautious amid uncertainty around trade and potential inflationary pressures. Retail sales were weaker than expected in May, however, consumer spending was supported by strong wage growth. Markets await the Fed decision later today where rates are likely to remain unchanged, but traders are ramping up bets for dovish signals.

The Euro slipped on Tuesday retreating from recent highs as geopolitical risks anchored dollar demand.

This followed Trump's comments calling for Iran's unconditional surrender, warning Tehran to do away with its nuclear program or face dire consequences. On the data front, German ZEW Economic sentiment came in higher than anticipated, but this did little to support the Euro.

The Sterling was softer on Tuesday on broad based dollar strength stemming from escalating geopolitical tensions in the Middle East. Markets await UK inflation data which is expected to have eased to 3.3% from 3.50%.

The Japanese Yen (JPY) remained on the backfoot against its American counterpart on Tuesday. The Bank of Japan gestured a rather cautious approach to unwinding its monetary stimulus amid growth uncertainties. Investors retraced their expectations of the next rate hike to the first quarter of 2026, further undermining the Yen.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
Tenor	KES	USD	EURO
Call	6.10%	0.05%	0.10%
1 month	5.20%	0.10%	0.15%
3 months	5.20%	0.15%	0.25%
6 months	5.65%	0.20%	0.30%

Indicative Cross Rates		
CCY	Buy	Sell
EUR\USD	1.0800	1.1820
GBP\USD	1.2800	1.3800
USD\JPY	139.00	150.00
USD\CHF	0.7700	0.8800