

DOMESTIC NEWS

The Kenyan Shilling continued holding well against the dollar during yesterday's trading session.

The session was characterized by a delicate balance between foreign currency demand and supply counters for most of the day.

Range bound trading is expected to continue as regards to the USD/KES pair, with demand and supply dynamics likely to drive the direction.

| 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 | 140.08 | 159.70 | 3 Months | 127.10 | 135.60 |
| GBP/KES | 166.77 | 185.45 | 6 Months | 129.20 | 137.70 |
| JPY/KES | 82.60 | 94.85 | 12 Months | 133.40 | 141.90 |

| Money Market Rates | Previous | Current | Change Bps |
|--------------------|----------|---------|------------|
| Interbank rate | 9.71% | 9.72% | 0.01 |
| 91-Day T-bill | 8.179% | 8.1687% | -1.03 |
| 182-Day T-bill | 8.4948% | 8.4761% | -1.87 |
| 364-Day T-bill | 9.75% | 9.7388% | -1.12 |
| Inflation Rate | 3.62% | 4.11% | +49.00 |

Source: Bloomberg



INTERNATIONAL NEWS

The US Dollar ceded ground on Tuesday following news of a ceasefire agreement between Israel and Iran, prompting a risk-on rally. In other news the Federal Reserve Chair Jerome Powell delivered hawkish remarks at his testimony to Congress, stating that the Fed "is not in a hurry to cut rates" but this statement did little to support the dollar. Markets now await the New home sales and crude oil inventory day

EUR/USD extended its gains by 0.1% for the fourth straight day, driven by US Dollar weakness spurred by a de-escalation of the Middle East conflict. Israel and Iran agreed to a ceasefire, which improved the market mood, lifting risk appetite and ultimately weighed on the Greenback. On the data front German business morale improved more than expected in June further supporting the Euro.

The Sterling also extended its gains versus the US Dollar on Tuesday, on broad based USD weakness and improved risk appetite. It was further supported after data from market researcher Kantar showed that British grocery price inflation rose to 4.7% for the four weeks to June 15, its highest level since March last year.

The Japanese Yen remained on the back foot against its American counterpart during the early trading session today. The optimism over the Israel-Iran ceasefire optimism remained supportive of a positive risk tone and acted as a headwind for traditional safe-haven assets. Moreover, the Summary of Opinions from the Bank of Japan's June meeting showed that some policymakers called for keeping interest rates steady for the time being due to uncertainty over the impact of US tariffs on Japan's economy. This, in turn, prompts some selling around the JPY.

| 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 | 1.1521 | 1.1522 |
| GBP\USD | 1.3490 | 1.3497 |
| USD\JPY | 145.42 | 145.45 |
| USD\CHF | 0.8165 | 0.8171 |