

DOMESTIC NEWS

The local currency remained unmoved versus the dollar in yesterday's trading session.

Activity from both importers and exporters remained balanced throughout the trading session, limiting price action for the USDKES pair.

We expect the home unit to continue trading within a range in the short term as flows continue to dominate the local FX scene.

Amounts "100,000"	Spot Rates	
	Opening	
	Buy TT	Sell TT
USD/KES	125.00	133.50
EUR/KES	142.24	162.15
GBP/KES	166.92	185.65
JPY/KES	83.25	95.62

Forward Rates		
USD/KES		
	Buy	Sell
1 month	125.70	134.00
3 Months	127.10	135.00
6 Months	129.20	137.00
12 Months	133.40	141.00

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.69%	9.69%	-0.00
91-Day T-bill	8.1687%	8.1387%	-3.00
182-Day T-bill	8.4761%	8.4613%	-1.48
364-Day T-bill	9.7388%	9.7221%	-1.67
Inflation Rate	3.80%	3.80%	0.00

Source: Bloomberg



INTERNATIONAL NEWS

In Thursday's trading session, the US Dollar rose after stronger-than-forecast employment growth eased concerns about the US economy slowing down. The release of hotter-than-expected headline jobs data boosted Treasury yields and pushed traders to price out a July Federal Reserve rate cut. From the latest print, US nonfarm payrolls grew 147k in June, more than the expected 106k; unemployment rate fell to 4.1%, lower than 4.3% forecast. This saw the policy sensitive two-year Treasury yield rise by 9.5bp to 3.88%. Elsewhere, House nears passage of Donald Trump's tax and spending bill ahead of the president's self-imposed July 4 deadline. Today the markets will be closed in the US in observance of the US Independence Day.

The Euro slid on Thursday following the release of June's employment figures in the US which poured cold water on expectations of a rate cut in July. Across in Sintra, Portugal, the account of the European Central Bank's meeting of June 3-5 suggests that most members of the Governing Council view the battle against inflation as nearly won and a final interest-rate reduction of 25 basis points in September would face little opposition.

The Cable fell 0.1% reversing an earlier rise after the release of hotter-than-expected headline jobs data from the US. Earlier on, the UK markets rebounded from a sharp selloff as Prime Minister Keir Starmer sought to calm speculation about a possible exit by Chancellor of the Exchequer Rachel Reeves by saying she will stay in the role for many years to come. However, the gains were reversed after the release of US NFP report.

In the early Asian trading session, the Yen attracted buyers as the upbeat data reaffirmed Bank of Japan (BoJ) rate hike bets. Strong Household Spending data released earlier today from Japan revived Bank of Japan (BoJ) rate hike bets and provided a modest lift to the JPY. Apart from this, the uncertainty over US President Donald Trump's further benefits the safe-haven 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