

### DOMESTIC NEWS

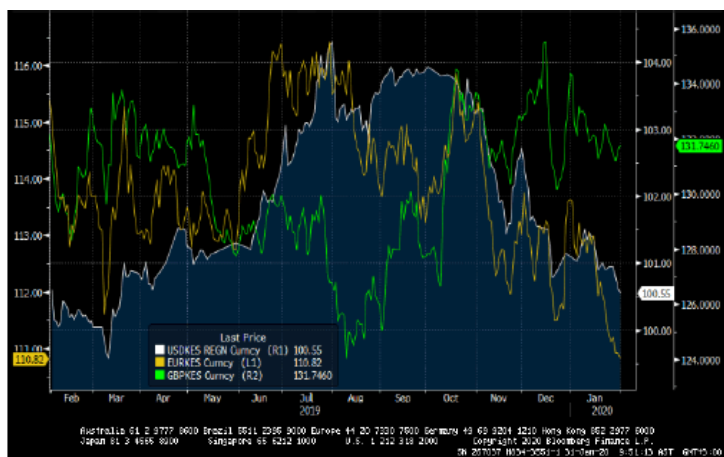
The Kenya shilling traded within confined ranges against its U.S. counterpart in Mondays session as foreign currency flows evened out.

In a relatively lackluster trading session, the local unit held steady versus the greenback on the back of matching flows on both the demand and supply counters, ending the day little changed from previous close.

Market chatter alludes to range bound trading, as flows continue to dominate trading direction.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	101.80	111.20	102.00	111.60
GBP/KES	135.50	147.00		
EUR/KES	120.50	132.80		
JPY/KES	96.00	110.00		
			3 Months	
			Buy	102.50
			SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.05%	3.24%	+19.00
91-Day T-bill	6.200%	6.257%	+5.70
182-Day T-bill	6.561%	6.600%	+3.90
364-Day T-bill	7.517%	7.508%	-0.90
Inflation	4.59%	4.36%	-23.00



### INTERNATIONAL NEWS

The dollar fell to a more than a two-year low on Monday on reduced rate appeal after the Federal Reserve's new policy framework announced last week showed that the US rates will continue to remain low compared to other countries. Federal Reserve Vice Chairman Richard Clarida stressed the importance of the central bank's recent policy shift allowing inflation to run above target.

The EUR/USD pair gained momentum and printed a fresh daily high, matching the YTD top it reached back on August 18. The pair is closing in on new levels, which should constitute major psychological resistance and massive option barrier defence, breach of which paves way for further strength.

Cable drifted higher, overcoming earlier bank-holiday lethargy and an early U.S. slide, leaving sterling bulls to plot their next moves, which might include an assault on last year's post-UK election peak.

Earlier in Asia, USD/JPY opened 0.55% higher, despite Japan firms' sales posting the largest year on year decline in April-June since first quarter of 2009.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	2.75%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.00%	0.35%	0.00%
6 months	5.25%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1240	1.2640
GBP	1.2520	1.3950
JPY	99.65	114.50
CHF	0.8320	0.9730

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