

DOMESTIC NEWS

The shilling remained steady against the dollar in a subdued trading session on Wednesday.

The session was characterized by a balanced interplay between foreign currency demand and supply counters, with the local unit closing the day unchanged from its opening levels.

The market is likely to be guided by flows to give further direction to the USDKES pair.

Amounts "100,000"	Spot Rates		Forward Rates		
	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.70	134.20
EUR/KES	142.22	162.15	3 Months	127.10	135.60
GBP/KES	168.26	187.05	6 Months	129.20	137.70
JPY/KES	83.32	95.68	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.71%	9.69%	-2.00
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

The US dollar made some advances against its major peers despite the Automatic Data Processing, Inc. (ADP) employment data showing US jobs unexpectedly shrank last month. In June, US private-sector hiring experienced a significant decrease, with employers trimming 33K jobs, well below the 95K that economists had anticipated. This poor performance comes below the revised total of 29K for May, which was initially reported as 37K. Traders will be eyeing the Non-Farm Payrolls report due later today to gauge the direction the currency will take. Consensus is for nonfarm payrolls to come in at 110k and unemployment rate at 4.3%.

Although the Euro initially strengthened, it dropped 0.2% after nine straight days of advances, as an unexpected increase in the Eurozone unemployment in May and dovish comments from European Central Bank (ECB) speakers have increased bearish pressure on the Euro.

The Sterling fell from its highest level since October 2021 on Wednesday amid speculation that Chancellor of the Exchequer Rachel Reeves might leave her position. Keir Starmer's office scrambled to express support for Chancellor of the Exchequer Rachel Reeves after Starmer failed to back her following a U-turn on the government's flagship welfare reforms. This lack of commitment to Reeves prompted markets to slump, with investors concerned that any replacement would be more lax with spending, leading to a surge in yields on 10-year gilts and a slide in the pound.

Earlier on in Asia today, the Japanese Yen was slightly stronger against its American counterpart and remained close to a nearly one-month peak touched earlier this week. Despite the Bank of Japan's (BoJ) rate hike hesitations, investors seem convinced that the central bank will stay on the path of monetary policy normalization amid the broadening inflation in Japan. This marks a significant divergence in comparison to the Federal Reserve (Fed).

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

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