

### DOMESTIC NEWS

The Kenya shilling held steady against the U.S. dollar on Tuesday.

Market continued to witness a lull in activity with matching demand and supply leaving the home unit unchanged from previous close.

Market chatter alludes to range bound trading at current levels, as investors search for fresh economic fundamentals to give price direction.

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	137.09	156.30	3 Months	127.10	135.60
GBP/KES	165.47	184.05	6 Months	129.20	137.70
JPY/KES	82.99	95.33	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.82%	9.88%	+6.00
91-Day T-bill	8.3231%	8.2927%	-3.04
182-Day T-bill	8.5750%	8.5642%	-1.08
364-Day T-bill	10.0026%	10.0000%	-0.26
Inflation Rate	3.62%	4.11%	+49.00

Source: Bloomberg



### INTERNATIONAL NEWS

The U.S. dollar rose on Tuesday, rebounding from a six-week low against the euro, even as investors remained concerned about potential economic damage from the trade war waged by President Donald Trump's administration. On the data front the US JOLTS Job Openings unexpectedly rose to 7.39 million in April, up from 7.20 million (revised) in March, defying expectations for a drop to 7.10 million, signaling ongoing labor market resilience. US Factory orders dropped 3.7% in April, down from a 4.3% jump in March, the US Commerce Department revealed on Tuesday. Markets expect a slew of economic data today which includes, ADP Nonfarm Employment change, S&P Services PMI and ISM non-manufacturing PMI.

EUR/USD retreated 0.5% after hitting a six-week peak on Tuesday amid increasing concerns trade war ignited by the US. The Eurozone HICP in May fell by 1.9%, below the ECB's 2% target for the first time in eight months. Excluding volatile items, the so-called core HICP fell by 2.3% YoY, down from 2.7% in the previous month. This reaffirms expectations that the ECB might cut rates this week, a path that began last June.

The GBP traded flat against the USD on Tuesday, edging slightly lower from its intraday high while remaining within Monday's range. Earlier on Tuesday, Bank of England officials appeared before Parliament to offer fresh insight into the central bank's policy outlook during the Monetary Policy Report Hearings. BoE Governor Andrew Bailey reiterated that interest rates are likely to head lower but stressed that the path ahead is increasingly uncertain.

The Japanese yen slipped further against the US dollar for a second day on Wednesday, retreating from a one-week high. BoJ Governor Kazuo Ueda's cautious tone on Tuesday dampened hopes of a near-term rate hike, weakening the yen amid a risk-on sentiment. Still, a higher-than-expected Services PMI and wage growth could support an interest rate increase in 2025.

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