

DOMESTIC NEWS

The Kenya shilling edged lower against its US counterpart on the first trading day of the month.

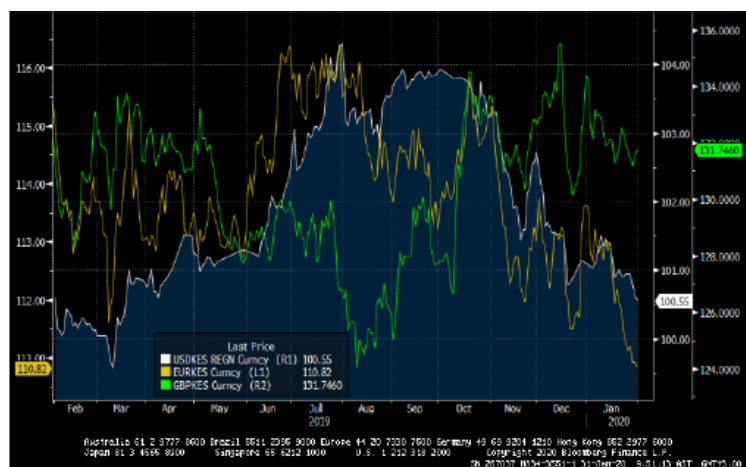
The local currency was largely stable in the early morning session with scarce market activity. Renewed dollar demand in the latter session pushed the currency pair up, to close 15 cents higher than last week.

In today's session, we expect the USDKES pair to oscillate around the current levels albeit with a downside risk for the shilling owing to limited inflows.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.60	110.65
GBP/KES	131.66	143.44
EUR/KES	117.40	131.58
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	100.70
SELL	111.35
3 Months	
Buy	101.20
SELL	112.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.34%	2.29%	-5.00
91-Day T-bill	6.112%	6.121%	+0.90
182-Day T-bill	6.440%	6.455%	+1.50
364-Day T-bill	7.370%	7.391%	+2.10
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

INTERNATIONAL NEWS

The green buck held on to its gains on Monday, rising 0.13% against a basket of currencies on the back of improved data and unwinding of short dollar positions. The ISM manufacturing survey showed manufacturing index rose to 54.20, its highest level since early 2019, hiring in the sector however remained subdued.

The Euro dropped against the dollar, losing 0.12% on Monday. The direction of the common currency will likely take cues from dollar movement with few data releases from the Eurozone this week.

The British pound traded lower on Monday on the back of dollar strength. Data from the UK showed increased manufacturing activity with orders growing for the first time since February and a rise in consumer demand following ease of lock down measures. BOE's monetary policy meeting on Thursday is the highlight of the week for the sterling.

Yen gained against the dollar in the Asian Market, recovering some losses from the previous day. The Japanese currency rose by 3% in July raising concern for the Japanese Authorities given the country's reliance on exports.

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	1.1020	1.2320
GBP	1.2200	1.3670
JPY	99.65	114.50
CHF	0.8950	1.0650

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