

DOMESTIC NEWS

The home currency remained stable versus the US dollar on the first trading session of the week.

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		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	9.69%	9.65%	-4.00
91-Day T-bill	8.1387%	8.1454%	+0.67
182-Day T-bill	8.4613%	8.4500%	-1.13
364-Day T-bill	9.7221%	9.7134%	-0.87
Inflation Rate	3.80%	3.80%	0.00

Source: Bloomberg



INTERNATIONAL NEWS

The dollar rose sharply against other major currencies on Monday, after U.S. President Donald Trump announced new tariffs set to go into effect August 1 for a spate of countries including Japan and South Korea. Trump posted letters to the leaders of several countries on his social media platform, saying that he would impose tariffs of 25% on Japan and South Korea. He also sent letters to the leaders of Malaysia, Kazakhstan, Myanmar, South Africa and Laos, all of which outlined tariffs close to the levels previously announced for each country in April. Markets will continue to monitor trade related news amid a dearth of data today.

The Euro slipped 0.57% having rallied over 13% so far this year but was still on track to target 1.2000 levels. Investors are concerned that Brussels might not be able to secure deals with Washington ahead of the deadline as progress on agreements with the European Union has been slow, despite multiple rounds of negotiations.

Sterling weakened 0.26% but stayed near its strongest level since October 2021. Losses were contained in early-week trading. However, a fresh bout of tariff threats from US President Donald Trump on other economies has crimped investor risk appetite, curbing topside market flows and sparking a fresh risk-off push into the US dollar.

In the early Asian trading session, the yen fell broadly after U.S. President Donald Trump reiterated that he plans to impose 25% tariffs on goods from Japan and South Korea in the latest development of his chaotic trade war. Trump on Monday began telling trade partners – from powerhouse suppliers like Japan and South Korea to minor players – that sharply higher U.S. tariffs will start August 1, but he later said that he was open to extensions if countries made proposals. The announcement rattled investors and left the mood downbeat in Asia on Tuesday.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	Tenor	KES	USD
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

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication