

### DOMESTIC NEWS

The Kenyan Shilling remained unchanged against its American counterpart on Thursday.

The home unit remained stable through the day due to a balance between the supply and demand of foreign currency from various sectors.

As we head into the weekend, the Shilling is likely to trade within its recent range, with the movement of the USD/KES pair being influenced by activity from the respective market participants.

Amounts	Spot Rates		Forward Rates		
	Opening		USD/KES		
"100,000"	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.70	134.20
EUR/KES	141.36	158.77	3 Months	127.10	135.60
GBP/KES	165.39	184.07	6 Months	129.20	137.70
JPY/KES	81.10	93.43	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.62%	9.60%	-2.00
91-Day T-bill	8.1106%	8.0799%	-3.07
182-Day T-bill	8.4095%	8.1732%	-23.63
364-Day T-bill	9.7178%	9.7130%	-0.48
Inflation Rate	3.80%	4.10%	+30.00

Source: Bloomberg



### INTERNATIONAL NEWS

The greenback remained on the defensive in yesterday's session as investors digested Trump's choice to replace Federal Reserve Governor Adriana Kugler with Dr. Stephen Miran. Trump has also criticized current Fed Chair Jerome Powell, whose term will end in May, as being too slow to cut interest rates and some investors are concerned that his replacement will not act independently of the Trump administration. Elsewhere, data showed initial jobless Claims rose to 228,000 beating forecasts while continuing claims rose to 1.97M its highest level since November 2021 fueling fears of a potential stagflation backdrop. On the other hand, Atlanta's Fed President Raphael Bostic reiterated his view that one cut is likely this year, adding that there are reasons to be skeptical that the inflationary effects from tariffs will be temporary.

The EUR/USD pair gained ground for the third consecutive day on Thursday supported by risk appetite amid hopes of a peace deal in Ukraine. However, the pair turned flat in the American session fuelled by rumours that the White House is considering Fed Governor Christopher Waller as the top candidate to succeed Jerome Powell.

The Sterling extended its upward momentum gaining over two-thirds of one percent on the day after BoE's reduced interest by 25 bps to 4% as widely anticipated. The policymakers voted 5-4 in favour of the rate cut after the second round of voting. The BoE maintained a gradual and careful monetary easing guidance. Meanwhile, the BoE raised the GDP forecast for the current year to 1.25% from 1% projected in May.

The Yen edged lower during the Asian session after the summary of opinions from the BoJ's July meeting showed that policymakers maintained their view for further interest-rate increases despite high uncertainty over US tariffs. The summary revealed that Japan's economic growth will moderate, and the improvement in underlying inflation will be sluggish temporarily. Additionally, data released reported that Japan's Household Spending rose in June at a slower rate than expected as higher prices added pressure to broader consumption trends. Consumer spending fell 5.2% on a monthly basis.

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	1.1000	1.2200
GBP\USD	1.2900	1.4000
USD\JPY	140.00	154.00
USD\CHF	0.7700	0.8800