

DOMESTIC NEWS

The local currency remained steady versus the dollar on Tuesday.

Activity from both importers and exporters remained balanced throughout the trading session, limiting price action in the USDKES pair, as volatility stayed at a minimum.

We expect the home unit to continue trading within a range in the short term guided by demand and supply.

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%	9.69%	-0.00
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 U.S. dollar slipped earlier on Tuesday but gained later in the day, as traders digested the latest news surrounding U.S. President Donald Trump's trade negotiations. Trump announced late Monday that he has sent letters to 14 countries, including Japan and South Korea, unveiling sharply higher tariffs on imports into the United States. The president also signed an executive order on Monday extending his July 9 deadline for trade agreements to Aug. 1, adding that this new deadline for imposing reciprocal tariffs is "not 100% firm" and that he's open to alternate proposals if trade partners request changes. . Going forward, the FOMC Minutes are expected to be the focal point of attention.

The EUR/USD was weaker in the week, but the Euro remained supported from further losses. The shared currency halted Monday's losses as the White House didn't target the European Union (EU) with additional tariffs. Recently, Trump acknowledged that talks between the US and Europe are progressing, adding that the EU has been "very nice" with the US. The ECB's Lane and De Guindos are due to speak amid an otherwise empty euro docket.

GBP/USD navigated a volatile range, easing to fresh two-week lows just to regain momentum and end the day. GBP/USD was weighed down by fiscal concerns in the United Kingdom (UK), combined with risks of a weaker economy. The Office for Budget Responsibility (OBR) published its Fiscal Risks and Sustainability report on Tuesday, issuing a stark warning about the country's long-term financial outlook. The BoE's Financial Stability Report will be at the center of the debate across the Channel.

Earlier today, the Japanese Yen continued to lose ground amid worries about the economic impact of US tariffs. Concerns about the economic fallout from US President Donald Trump's 25% tariffs from a new deadline of August 1 on Japanese goods undermine the JPY. Furthermore, expectations that trade tensions could create pressure on the Bank of Japan (BoJ) to forgo raising interest rates this year turn out to be another factor driving flows away from the JPY amid domestic political uncertainty.

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

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