

DOMESTIC NEWS

The local unit's movement against the dollar was restricted within tight ranges as flows continued guiding the direction on the first trading day of the week.

Market activity was vibrant in the foreign exchange market with demand and supply counters sizes matching out, leaving the USDKES pair unchanged by the closing bell.

Expectations remain largely for the Kenya shilling to trade within current ranges, as market looks for fresh factors to offer price direction. This weeks' twin IFB auctions may guide further price direction depending on expected foreign currency flows into the market.

"100,000"	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.45	134.25
EUR/KES	126.87	141.16	3 Months	126.45	135.80
GBP/KES	152.17	169.35	6 Months	128.20	138.00
JPY/KES	78.53	90.46	12 Months	131.40	142.60

Money Market Rates	Previous	Current	Change Bps
Interbank rate	10.63%	10.59%	-4.00
91-Day T-bill	9.5219%	9.1156%	-40.63
182-Day T-bill	10.0275%	9.5190%	-50.85
364-Day T-bill	11.3132%	10.7581%	-55.51
Inflation Rate	3.00%	3.30%	+30.00

Source: Bloomberg



INTERNATIONAL NEWS

The U.S dollar maintained its bullish bias on Monday as U.S. President Donald Trump made certain tariff hikes on steel and aluminium imports and further intimated plans to impose reciprocal tariffs on other countries in the near future. Focus now turns to Federal Reserve Chair Jerome Powell's testimony later today and U.S inflation data on Wednesday to offer insights on the interest rate outlook in the U.S.

The Euro continued on its downward as market sentiment remained cautious, favoring the greenback. ECB President Christine Lagarde's sentiments that eurozone inflation is set to return to the 2% medium-term target this year failed to trigger the markers as trade frictions fouled the outlook.

The British pound extended losses against its American counterpart after President Donald Trump announced tariffs on base metals. U.S. headline inflation reading on Wednesday and UK GDP and output data on Thursday will offer insights on the direction for the GBP/USD pair.

The Japanese Yen oscillated within a tight range in early Asian Session as players stayed on the sidelines, looking out for clues amid mixed economic data and concerns of a global trade war. The safe haven currency continues to draw support from expectations that the Bank of Japan will hike interest rates further.

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	1.0100	1.1000
GBP\USD	1.1900	1.3000
USD\JPY	150.00	162.00
USD\CHF	0.8500	0.9500