

DOMESTIC NEWS

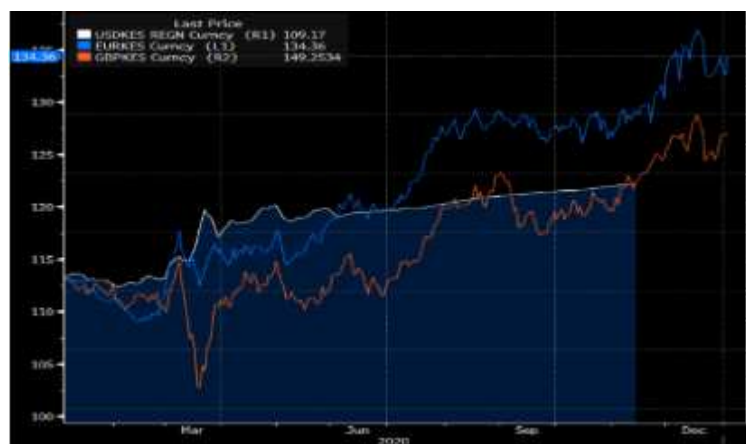
The Kenya Shilling edged lower against the U.S dollar in Tuesday's session as a result of an uptick in activity across the foreign currency demand counters.

Foreign currency demand from corporate players coupled with trifling dollar inflows pushed the shilling onto the back foot for the better part of the day. By the closing bell, the local unit had shed 15 cents against the greenback.

The outlook for the shilling remains largely range bound albeit with a slightly bearish bias, as we expect market activity to pick up in the local FX scene.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.35	112.80		105.65
GBP/KES	142.35	154.20		115.65
EUR/KES	126.10	139.20		
JPY/KES	98.25	111.35		
			3 Months	
			Buy	106.05
			SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.53%	5.30%	-23.00
91-Day T-bill	6.906%	6.895%	-1.10
182-Day T-bill	7.400%	7.479%	+7.90
364-Day T-bill	8.348%	8.363%	+1.50
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar edged lower against a basket of currencies on Tuesday, as its recent rally, driven by a spike in U.S. Treasury yields, appeared to have run out of steam. The dollar had hit a more than a two-and-a-half-year low in January after sliding for months as the U.S. Federal Reserves' interest rate cuts and strong investor demand for riskier assets has sapped demand for the safe-haven U.S. currency. The dollar index was down 0.11% on the day.

The EUR/USD pair snapped its losing streak on Tuesday, lifted by some weakness in the US dollar and stronger investor demand for riskier assets. EUR net longs drifted lower for a second week but remain largely consolidative. However, the follow-ups on the vaccine rollout will be critical in the markets positioning over the coming weeks.

The pound rallied as traders pushed back expectations for when the Bank of England might cut borrowing costs to the end of the year, after Governor Andrew Bailey said there were a lot of issues with negative rates. Cable was up 0.5% on the day.

Earlier in Asia, the USD/ JPY pair was down 0.17% on account of broad based dollar weakness and Treasury yields.

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	1.1240	1.2940
GBP	1.2720	1.4350
JPY	99.65	114.50
CHF	0.8320	0.9330

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