

### DOMESTIC NEWS

The home unit remained unmoved versus the dollar in yesterday's trading session.

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	140.83	160.55	3 Months	127.10	135.60
GBP/KES	165.08	183.52	6 Months	129.20	137.70
JPY/KES	81.24	93.31	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.60%	9.62%	+2.00
91-Day T-bill	8.1387%	8.1421%	+0.34
182-Day T-bill	8.4613%	8.4404%	-2.09
364-Day T-bill	9.7221%	9.7218%	-0.03
Inflation Rate	3.80%	3.80%	0.00

Source: Bloomberg



### INTERNATIONAL NEWS

The US Dollar gained strength on Friday, supported by renewed tariff threats from US President Donald Trump, which have reignited global trade tensions and sparked a new wave of risk aversion. As tensions escalate, investors are becoming increasingly cautious, favoring Greenback's status as a safe haven. US President Donald Trump has escalated tariff tensions this week by sending warning letters to more than 20 countries, including major trading partners such as Canada, Japan and South Korea, as well as threatening smaller economies with tariffs ranging from 15% to as high as 50%, based on each country's trade relationship with the US.

The Euro edged lower against the USD on Friday, pressured by renewed tariff threats from the US and a broader wave of risk aversion that has lifted demand for Greenback. As investors digest US President Trump's escalating trade rhetoric, including potential new duties on European imports, market sentiment has turned cautious, fueling safe haven flows into the Greenback and dragging EUR/USD toward its lowest levels in two weeks. Markets see no interest rate cut by the ECB at the July meeting, and only 25 bps of easing priced in over the next 12 months.

The Pound Sterling weakened on Friday after disappointing UK economic data for May. The ONS reported a 0.1% GDP decline, missing expectations of 0.1% growth, following a 0.3% contraction in April. Industrial production dropped 0.9% month-on-month, worse than April's 0.6% fall and forecasts of no change. Manufacturing output also shrank by 1%, surpassing expectations of a 0.1% dip. UK Chancellor Rachel Reeves acknowledged the weak figures and pledged to boost domestic growth.

The Japanese Yen hovered near a three-week low against the US Dollar on Monday, pressured by weak domestic data, political uncertainty, and fears over higher US tariffs. With cooling inflation and falling real wages, the BoJ is unlikely to raise rates in 2025. Meanwhile, global risk sentiment remains fragile amid tariff threats from Trump, but reduced expectations of a Fed rate cut are supporting the USD/JPY pair.

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