

DOMESTIC NEWS

The Kenya Shilling was marginally weaker against the U.S dollar in yesterday's trading session.

The foreign currency market was lopsided towards the demand side as more buyers jumped into the fray for the few sellers around. This resulted in USDKES currency pair gaining 5 cents and inflows later in the session supported the shilling.

Ahead of the weekend, the home unit is likely to pull towards the respective flows as traders look out for any news that may move the markets.

"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	128.09	144.69	3 Months	126.45	135.80
GBP/KES	153.44	170.95	6 Months	128.20	138.00
JPY/KES	78.46	88.99	12 Months	131.40	142.60

Money Market Rates	Previous	Current	Change Bps
Interbank rate	10.54%	10.50%	-4.00
91-Day T-bill	9.1156%	8.9697%	-14.59
182-Day T-bill	9.5190%	9.4100%	-10.90
364-Day T-bill	10.7581%	10.5941%	-16.40
Inflation Rate	3.00%	3.30%	+30.00

Source: Bloomberg



INTERNATIONAL NEWS

The dollar plummeted against a basket of currencies amid improved risk appetite seen in late New York trading. The dollar was initially supported by January's producer price report that showed PPI came at 0.4% month on month in January, above estimates of 0.3%. Year on year, the PPI rose by 3.5%. However, certain components from this data showed inflation softening. The American currency was later sold off after comments by U.S. President Donald Trump indicating that he would impose reciprocal tariffs, although the timeline on further tariff threats remains elusive, giving countries more time to negotiate which favored risk appetite.

The euro rose against the dollar, boosted by improved investor confidence, optimism that Russia and Ukraine could reach a peace deal. Markets remain cautious about U.S. tariff proposals, future European Central Bank rate cuts and upcoming German elections.

The cable registered solid gains against the greenback following upbeat economic data though the divergent BoE and Fed rate outlooks capped Sterling's upside. Data released yesterday indicated the UK economy grew 0.1% quarter on quarter, beating estimates for a -0.1% contraction. Year on year, gross domestic product (GDP) rose by 1.4% against an estimate of 1%. Focus now turns to UK employment data due next week to offer further insights on the direction of the GBP/USD pair.

Early Friday, the USD/JPY pair remained stable after losing ground in the previous session, as players assessed the potential impact of Washington's reciprocal tariffs. Japan's Economy Minister Ryosei Akazawa intimated that the authorities would respond appropriately to US reciprocal tariffs.

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