

DOMESTIC NEWS

The local currency 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	140.20	159.84	3 Months	127.10	135.60
GBP/KES	164.05	182.43	6 Months	129.20	137.70
JPY/KES	80.69	92.66	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.66%	9.64%	-2.00
91-Day T-bill	8.1454%	8.1421%	+0.33
182-Day T-bill	8.4500%	8.4404%	-0.96
364-Day T-bill	9.7134%	9.7218%	+0.84
Inflation Rate	3.80%	3.80%	0.00

Source: Bloomberg



INTERNATIONAL NEWS

The US Dollar steadied after a turbulent session on Wednesday following a CBS report that Trump asked GOP lawmakers whether he should fire Fed Chair Jerome Powell. However, Trump rejected the claims but didn't rule out the possibility. On the data front headline PPI was flat in June, showing no monthly growth, compared to the 0.2% increase markets had expected, and down from a 0.3% rise in May. On an annual basis, PPI slowed to 2.3%, also below the 2.5% forecast and the 2.6% reading from the previous month. Core PPI, which excludes food and energy, was also weaker than expected. It came in at 0.0% MoM, missing the 0.2% forecast and down from 0.1% in May. On a yearly basis, Core PPI eased to 2.6%, compared to 2.7% expected and 3.0% in the previous month. Markets await Core retail sales data, Philly Fed Manufacturing index and initial jobless claims data.

The EUR/USD pair posted minor gains on Wednesday, correcting higher after losing more than 0.5% on Tuesday following U.S. data releases and concerns over the Fed's autonomy. Traders will likely observe Eurozone Harmonized Index of Consumer Prices (HICP) data scheduled to be released later today.

The Pound Sterling edged higher briefly on Wednesday after UK inflation rose more than expected in June. According to the ONS, annual headline inflation hit 3.6%, above the forecasted 3.4% and the highest since January 2024. Core CPI, excluding food, energy, alcohol, and tobacco, climbed to 3.7% from 3.5%. Monthly CPI rose 0.3%, also beating the previous 0.2% reading. Services inflation, closely watched by the Bank of England, remained high at 4.7%. Markets now look to UK labor data for the three months to May, due Thursday, for further insights.

The Japanese Yen rose marginally on Thursday. Japan posted a trade surplus of ¥153.1 billion in June, improving from May's ¥638.6 billion deficit but missing forecasts of ¥353.9 billion. Exports fell 0.5% year-on-year for a second month, mainly due to weak demand from China and ongoing US tariffs. Meanwhile, imports rose 0.2% YoY, signaling a rebound in domestic demand. Markets now largely believe the Bank of Japan will hold off on any rate hikes this year.

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