

## DOMESTIC NEWS

The Kenya shilling movement against the U.S. dollar was constrained within a narrow furrow on yesterday.

In a day characterized by muted activity, Dollar demand from the Corporate player's matched the supply counter leaving the USDKES pair unchanged by session's close.

Looking ahead, we expect the USDKES pair to remain within the current range guided by demand and supply flows.

Amounts "100,000"	Spot Rates		Forward Rates		
	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	126.00	132.00	1 month	126.50	134.20
EUR/KES	142.50	159.00	3 Months	127.10	135.60
GBP/KES	164.50	183.50	6 Months	129.20	137.70
JPY/KES	81.50	92.20	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.44%	9.44%	-0.00
91-Day T-bill	8.0799%	8.0107%	-6.92
182-Day T-bill	8.1732%	8.1195%	-5.37
364-Day T-bill	9.7130%	9.5824%	-13.06
Inflation Rate	3.82%	4.15%	+33.00

Source: Bloomberg



## INTERNATIONAL NEWS

The US Dollar retained its sideways trading bias amid thin volumes and the lack of a fresh impetus that could force traders into adding directional exposure. Trump and Zelenskyy's meeting went well, with the two leaders seeming to be on the same page. The US has promised to guarantee Ukraine's safety in case of a peace deal with Russia. The volatility slump extended, weighed down by this news coupled with a wait and see stance, ahead of the Jackson Hole symposium where traders will be watching, Federal Reserve Chair, Powell's tone. However, experts have warned that Powell might not give a clear signal on rate cuts. Today markets will be following the release of FOMC Minutes.

The Euro softened against most G10 currencies suggesting investors remain broadly constructive on geopolitical de-escalation. That confirms markets did not see any reasons to price in greater optimism on the peace deal after Monday's Washington summit. Reports from Washington indicate that US and European officials will immediately work on providing Ukraine with robust security guarantees to open a path for a landmark meeting between presidents Vladimir Putin and Volodymyr Zelenskyy.

The Sterling Pound traded on the backfoot on Tuesday ahead of a busy calendar as traders await on the sidelines to make a move. The United Kingdom (UK) June Consumer Price Index (CPI) is scheduled for release today and it is widely expected that the UK CPI headline inflation will rise, putting pressure on Bank of England (BoE) to halt the rate cutting cycle.

In the early Asian session, the Yen records some modest gains following the mixed domestic data. A report published by the Cabinet Office earlier today showed that Japan's core Machinery Orders rose for the first time in three months, by 3% in June, defying market expectations for a 1% drop. Investors now seem convinced that the Bank of Japan (BoJ) will stick to its policy normalization path and hike interest rates by the end of the year. This turns out to be a key factor acting as a tailwind for the safe-haven JPY.

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	1.1521	1.1522
GBP\USD	1.3490	1.3497
USD\JPY	145.42	145.45
USD\CHF	0.8165	0.8171