

**DOMESTIC NEWS**

The Kenya shilling saw little movement against the U.S. dollar, amid a downturn in activity across the counters.

A state of equilibrium ensued in the local foreign exchange market as demand for the greenback by players in the corporate sector was evenly matched by inflows from interbank players, and left the local unit unchanged from the previous day.

Looking ahead, the shilling could see some support from inflows from the very well subscribed infrastructure bond earlier in the week.

| Amounts<br>"100,000" | Today's<br>Opening |         |
|----------------------|--------------------|---------|
|                      | Buy TT             | Sell TT |
| USD/KES              | 105.30             | 113.05  |
| GBP/KES              | 144.80             | 154.90  |
| EUR/KES              | 125.20             | 136.70  |
| JPY/KES              | 102.45             | 111.75  |

| Forward Rate(USD)(1 month) |        |
|----------------------------|--------|
| BUY                        | 105.65 |
| SELL                       | 115.65 |
| 3 Months                   |        |
| Buy                        | 106.05 |
| SELL                       | 117.00 |

| Money Market Rates | Previous | Current | Change bps |
|--------------------|----------|---------|------------|
| Interbank Rate     | 4.09%    | 4.43%   | +34.00     |
| 91-Day T-bill      | 6.895%   | 6.884%  | -1.10      |
| 182-Day T-bill     | 7.479%   | 7.522%  | +4.30      |
| 364-Day T-bill     | 8.363%   | 8.445%  | +8.20      |
| Inflation          | 5.30%    | 5.60%   | +0.30      |



Source: Bloomberg

**INTERNATIONAL NEWS**

The U.S. dollar kicked off the Biden era on a downward trend, posting loses against other major currencies on Wednesday. This was mainly due to earlier comments made by U.S Treasury nominee Janet Yellen, who pointed towards substantial additional fiscal spending to reflate the U.S. economy.

The euro drifted lower against the dollar ahead of today's European Central Bank (ECB) meeting, where the watchdog is expected keep interest rates and the pace of bond purchases unchanged.

Cable pushed higher to multi-month highs supported by improving global risk appetite and higher-than-expected UK inflation data, where the January reading came in at 1.4% against an expected 1.3%. Sterling however retreated sharply later in the session.

The yen was mostly flat against the dollar earlier this morning, seemingly unmoved by the Bank of Japan's decision to keep its policy interest rate unchanged at 0.10%.

**Indicative Deposit Rates**

|          | Amounts > KES 20 million |       | Amounts > 100,000 |       |
|----------|--------------------------|-------|-------------------|-------|
|          | KES                      | USD   | USD               | EURO  |
| Call     | 2.75%                    | 0.25% | 0.00%             | 0.00% |
| 1 month  | 4.70%                    | 0.25% | 0.00%             | 0.00% |
| 3 months | 5.00%                    | 0.35% | 0.00%             | 0.00% |
| 6 months | 5.25%                    | 0.50% | 0.00%             | 0.00% |

**Indicative Cross Rates**

|     | Buy    | Sell   |
|-----|--------|--------|
| EUR | 1.1245 | 1.2835 |
| GBP | 1.2795 | 1.4385 |
| JPY | 99.40  | 114.25 |
| CHF | 0.8385 | 0.9375 |

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