

## 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	126.00	132.00	1 month	126.50	134.20
EUR/KES	142.75	159.00	3 Months	127.10	135.60
GBP/KES	164.35	183.30	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%	9.45%	+1.00
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 dollar retreated for the first time this week following President Trump calls for the resignation of Fed's Lisa Cook after a staunch ally called for an investigation of Cook's mortgages, ramping up pressure on the apex bank. On the much-awaited Minutes of the Fed's August meeting, the Minutes revealed that most participants viewed it as appropriate to leave interest rates unchanged and noted that it would take time to have more clarity on the magnitude and persistence of higher tariffs' effects on inflation.

The EURUSD posted its first advance in three days after the release of the latest data. From the latest print, the final July HICP reading confirmed headline inflation in the Euro area at 2.0% year over year, unchanged from June. The release also showed a slowdown in services inflation, though the decline was a tad smaller than suggested in the estimates. Taken together with recent data showing the economy has so far remained resilient despite the trade dispute with the US, the inflation release supports the argument for a pause in September.

The Cable held well after the release of inflation data but fell as traders cut risk after Fed Governor Lisa Cook was accused of mortgage fraud. From the latest print, inflation in UK rose more than expected, with headline CPI climbing to 3.8% in July, above forecasts of 3.7% and up from 3.6% in June. Services inflation also came in higher than expected. The increase was driven by a sharp jump in air fares and renewed strength in food and energy prices, leaving markets questioning the prospect of further Bank of England rate cuts this year. The focus now turns to how the UK bond market absorbs the data and whether higher yields will ultimately benefit or undermine Sterling.

The USDJPY is up and gaining some positive traction during the Asian session on Thursday lacking bullish conviction amid Bank of Japan and Fed divergence. On the data front, the S&P Global flash Japan Manufacturing PMI improved to 49.9 in August from the previous month's final reading of 48.9, though it remained in contraction territory.

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