

DOMESTIC NEWS

The home unit traded flat against the greenback in Monday's session.

The session saw lackluster activity with few market players closing transactions. Foreign currency demand and supply countered each other well leaving the USDKES currency pair dangled at the same level as Friday's close.

In the day, we expect the shilling to trade within the current ranges but flows will continue to guide the direction of the USDKES pair

| 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 | 140.29 | 159.95 | 3 Months | 127.10 | 135.60 |
| GBP/KES | 164.38 | 182.74 | 6 Months | 129.20 | 137.70 |
| JPY/KES | 80.71 | 92.70 | 12 Months | 133.40 | 141.90 |

| Money Market Rates | Previous | Current | Change Bps |
|--------------------|----------|---------|------------|
| Interbank rate | 9.64% | 9.64% | +0.83 |
| 91-Day T-bill | 8.1421% | 8.1283% | -1.38 |
| 182-Day T-bill | 8.4404% | 8.4310% | -0.94 |
| 364-Day T-bill | 9.7218% | 9.7276% | +0.58 |
| Inflation Rate | 3.80% | 3.80% | 0.00 |

Source: Bloomberg



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INTERNATIONAL NEWS

The US Dollar kicked off the week on the back foot, slipping against major currencies in line with the declining U.S. Treasury yields during Monday's trading session. Investor focus has been firmly on Trump's global tariff salvos, ahead of the August 1 deadline and a generally cautious market sentiment. Despite mostly solid US economic data lately, the Greenback is feeling the heat from ongoing uncertainty surrounding renewed trade tensions and increasing political pressure on the Federal Reserve to cut interest rates, as markets continue to grapple with mixed signals from Fed officials regarding a potential July interest rate cut and lingering doubts about the central bank's ability to operate free from political interference.

The Euro surged on Monday, rising by over 0.50%, following declining U.S. Treasury yields and trade uncertainty, with the August 1 deadline looming. Trade tensions between the European Union and the U.S. increased as EU diplomats are exploring a broader set of countermeasures against the U.S., as prospects for an acceptable trade agreement fade, even though a negotiated solution was still their preferred option. Trump has also been reluctant to reduce the 25% automobile levy while demanding a higher baseline tariff between 15%-20% against 10% being negotiated earlier. No major data releases are due today.

The British pound edged 0.5% higher against the dollar, as investor attention remains on Bank of England policy and the deteriorating fiscal picture. Retail sales data due on Friday could give a clearer picture on the state of the consumer, while a preliminary survey of purchasing managers on business activity is set for release on Thursday.

The yen mostly held on to gains from the previous session following results from the upper house elections held over the weekend in Japan that proved no worse than what had already been priced in, with focus now on how quickly Tokyo can strike a trade deal with Washington and Prime Minister Shigeru Ishiba's future at the helm.

| 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 | 140.00 | 154.00 |
| USD\CHF | 0.7700 | 0.8800 |