

DOMESTIC NEWS

The local unit, on Friday, halted its thirteen-day losing streak against the US dollar, holding its ground, to close the day same as previous day's levels.

A majority of market participants remained cocooned within their trading blocs, creating somewhat a stagnation in the USDKES currency pair's movement for the better part of the day. A slight bull for the dollar was witnessed earlier in the session on the back of improved appetite, but this quickly tapered due to matching foreign currency inflows.

The first day of trading this week will likely witness the currency pair trading within the now familiar ranges as demand and supply forces continue to battle it out.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.00	109.50
GBP/KES	142.60	154.65
EUR/KES	120.20	134.00
JPY/KES	92.85	102.55

Forward Rate(USD)(1 month)	
BUY	101.80
SELL	111.55
3 Months	
Buy	102.55
SELL	113.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.86%	4.92%	+6.00
91-Day T-bill	7.156%	7.155%	- 0.10
182-Day T-bill	7.995%	7.953%	- 4.20
364-Day T-bill	9.365%	9.284%	-8.10
Inflation	5.90%	5.76%	-14.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S dollar rose against its peers on Friday, supported by encouraging U.S. manufacturing data, but remained on track for a weekly loss as investors' concerns about taper talk in the U.S. Federal Reserve's minutes moderated. Factory activity shot up in early May amid strong domestic demand, with the U.S. manufacturing PMI increasing to 61.5.

EUR/USD was relatively lower, with the euro finding patronage from loosening of COVID-19 restrictions and better-than-expected activity data. IHS Markit's flash PMI of activity in Germany's services sector jumped to 52.8 from 49.9 in April, which also beat a Reuters poll forecast of 52.0 and was the highest reading since last July. Similarly, France's composite PMI jumped to 57.0 points in a preliminary reading, up from 51.6 last month to hit its highest since July.

The Sterling fell by 0.2 percent but was on track for its third consecutive week of gains against the greenback and the euro, helped as well by a string of data releases reinforcing market expectations for a strong economic recovery. Retail sales volumes in April jumped by 9.2% month-on-month and May's preliminary composite PMI soared to 62.0, up from 60.7 in April.

The yen was little moved against the dollar in early Asian trading, as traders began to price in the ripple effect of recently released U.S data.

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

Indicative Cross Rates		
	Buy	Sell
EUR	1.1250	1.2855
GBP	1.3300	1.4800
JPY	104.15	114.15
CHF	0.8320	0.9870

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