

DOMESTIC NEWS

The mid-week trading session saw the USDKES pair remain static against the dollar as foreign currency demand and supply remained balanced.

In a rather quiet session, the local unit held steady versus the greenback on the back of matching flows, leaving the shilling unchanged against the greenback by the closing bell.

Market expectations remain largely for the Kenya shilling to trade within current ranges.

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	140.42	160.10	3 Months	127.10	135.60
GBP/KES	165.40	183.97	6 Months	129.20	137.70
JPY/KES	81.37	93.45	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.54%	9.57%	+3.14
91-Day T-bill	8.0799%	8.0000%	-7.00
182-Day T-bill	8.1732%	8.0706%	-10.00
364-Day T-bill	9.5824%	9.5734%	-1.00
Inflation Rate	3.82%	4.15%	+33.00

Source: Bloomberg



INTERNATIONAL NEWS

The dollar rose against major currencies on Wednesday, rebounding from Tuesday's pullback as investors turned their focus to upcoming U.S. economic data for policy cues, even as worries persist over the Federal Reserve's independence. That left the dollar index, which measures the greenback against a basket of currencies, up 0.32% to 98.57. The greenback is facing slight selling pressure as investors turn cautious ahead of the US Personal Consumption Expenditure Price Index data for July, which is scheduled for Friday. Investors will closely monitor the data as it will influence market expectations for the Fed's monetary policy outlook.

The Euro continued its losing streak against the Dollar touching its weakest level since August 6. This was driven by political turmoil in France as Prime Minister Francois Bayrou battles to save his minority government ahead of a September 8 confidence vote over budget cuts. The looming vote raises risk of a potential government collapse and IMF intervention being the global lender of last resort. Elsewhere, German consumer confidence deteriorated, adding pressure on Euro ahead of ECB minutes and EU business surveys.

Sterling slipped on Wednesday as the U.S. dollar firmed against major currencies, recouping losses spurred by investor worries over independence of the U.S. Fed while traders also digested UK's producer price inflation data released on Wednesday. The producer price data trails a consumer inflation report which showed that British CPI rose to an 18-month high of 3.8% in July. Recently released data suggests that the Bank of England (BoE) could pause its easing cycle.

In the early Asian session on Thursday, the Japanese yen's USD/JPY pair edged 0.2% lower. The Yen however picked up a few bids following comments by the Bank of Japan (BoJ) monetary policy board member Junko Nakagawa on Thursday, that if Japan's outlook for economic activity and prices is realized, BoJ will continue to raise the policy interest rate.

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