

DOMESTIC NEWS

The Kenyan Shilling traded on a stable footing against the U.S. dollar in the previous session, supported by a well-aligned balance between foreign currency demand and supply.

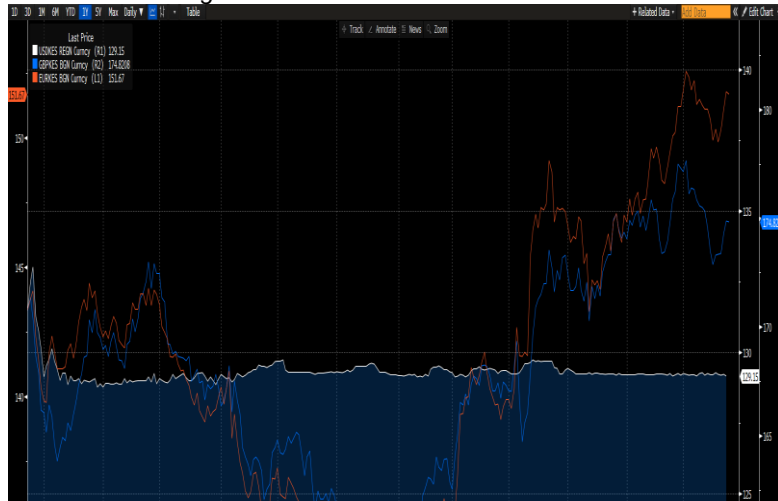
Market participants expect the USD/KES pair to remain range-bound in the near term, as current trading levels are underpinned by a fragile equilibrium between corporate demand for hard currency—primarily from importers—and sustained inflows from exporters and diaspora remittances.

In the absence of material external shocks or domestic policy shifts, the local unit is projected to maintain relative stability, with short-term movements largely dictated by prevailing market fundamentals.

| Amounts | 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 | 139.76 | 159.34 | 3 Months | 127.10 | 135.60 |
| GBP/KES | 163.50 | 181.80 | 6 Months | 129.20 | 137.70 |
| JPY/KES | 80.69 | 92.70 | 12 Months | 133.40 | 141.90 |

| Money Market Rates | Previous | Current | Change Bps |
|--------------------|----------|---------|------------|
| Interbank rate | 9.61% | 9.62% | +0.41 |
| 91-Day T-bill | 8.1283% | 8.1168% | -1.15 |
| 182-Day T-bill | 8.4310% | 8.4186% | -1.24 |
| 364-Day T-bill | 9.7276% | 9.7193% | -0.83 |
| Inflation Rate | 3.80% | 3.80% | 0.00 |

Source: Bloomberg



INTERNATIONAL NEWS

The US Dollar rallied sharply on Monday, recovering from a prolonged period of weakness driven by heightened trade-war anxiety. Although major tariff disputes involving Washington appear to be subsiding, the greenback may face renewed headwinds from a potentially less aggressive Federal Reserve. With most of the trade-related optimism already priced in, market participants are likely to shift their focus to incoming economic data—particularly the upcoming non-farm payrolls report, which could provide critical insight into the Fed's policy outlook.

The EUR/USD pair fell by over 1%—its steepest single-day decline in more than two months—amid renewed concerns over eurozone growth and falling government bond yields across the bloc. The session was marked by broad US Dollar strength, underpinned by investor optimism that the United States could secure additional trade agreements in the near term. Over the weekend, President Donald Trump announced a bilateral deal between the US and the European Union, under which selected US exports will face zero tariffs in the EU, while tariffs on EU goods entering the US have been adjusted to 15%, down from a prior 30% rate.

The GBP/USD pair extended its losses for a third consecutive session, slipping to a ten-week low as the US Dollar staged a broad-based rebound. The Pound Sterling breached a key ascending trend line, with the decline further exacerbated by the absence of domestic economic catalysts. With no significant UK data on the docket, market direction is expected to be guided predominantly by a full slate of high-impact US economic releases. Cable traders will remain focused on these developments for near-term cues.

The USD/JPY pair ticked down during the early Asian trading session on Tuesday, struggling to extend its three-day winning streak. The outlook of the pair remains firm as the US Dollar (USD) demonstrates strength, following the announcement of a trade agreement between the United States (US) and the European Union (EU)

| 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 | 1.1000 | 1.2200 |
| GBP\USD | 1.2900 | 1.4000 |
| USD\JPY | 140.00 | 154.00 |
| USD\CHF | 0.7700 | 0.8800 |