

DOMESTIC NEWS

The local currency remained steady versus the dollar on Thursday.

Activity from both importers and exporters remained balanced throughout the trading session, limiting price action in the USDKES pair, as volatility stayed at a minimum.

We expect the home unit to continue trading within a range in the short term guided by demand and supply.

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	136.54	155.66	3 Months	127.10	135.60
GBP/KES	164.76	183.20	6 Months	129.20	137.70
JPY/KES	83.44	95.84	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.76%	9.82%	+6.00
91-Day T-bill	8.3699%	8.3231%	-4.68
182-Day T-bill	8.5831%	8.5750%	-0.81
364-Day T-bill	10.0022%	10.0026%	-0.04
Inflation Rate	3.62%	4.11%	+49.00

Source: Bloomberg



INTERNATIONAL NEWS

The US Dollar traded on the back foot following a volatile day, weighed down by the resurgence of trade uncertainty along with disappointing economic growth and labor market data releases. GDP contracted 0.20% against expectation of 0.30% contraction and 2.4% growth in the previous quarter. The U.S. currency has weakened on concerns that tariffs will slow the economy and reignite inflation, while the erratic implementation of Trump's policies is seen as denting the appeal of U.S. assets to foreign investors. The US economic docket revealed that Americans filing for jobless benefits increased in the week ending May 24, as reported by the US Department of Labor. US PCE inflation from April is slated for today, and stands as the week's final key data release.

EURUSD rose powered by the resumption of the dollar sell-off. The Eurozone (EU) economic docket was quiet on Thursday. Investors' expectation is that this will gather pace today as Germany will unveil Retail Sales for April and inflation figures for May and Italy will feature inflation figures.

GBPUSD recovered on Thursday as investors reassess the impact of the US court's decision against tariffs. In the UK, Mortgage Approvals/Lending, the final S&P Global Manufacturing PMI, and Nationwide Housing Prices will all be published on June 2.

In early Asian trading, the Japanese yen firmed, supported by safe haven demand and data showing Japanese inflation remained sticky. Tokyo consumer Inflation came in at 3.6% higher than the previous 3.4% and forecast of 3.5%. Tokyo inflation usually acts as a bellwether for national Japanese inflation, with the print likely giving the Bank of Japan more headroom to raise interest rates. Markets were seen pricing in a greater chance for a 25 basis point hike in July, although hikes after that were doubtful.

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	139.00	150.00
USD\CHF	0.7700	0.8800