



DOMESTIC NEWS

in balanced trading, the shilling held steady against the dollar yesterday. Dollar demand from oil importers was matched by dollar inflows from offshore investors and horticultural exporters. The USD/KES pair was posted unchanged at 100.30/50 and is likely to close the week at the same levels.

Elsewhere, in the government Treasury Bills auction, the yields dipped marginally with bids at KES 43.9 B compared to KES 24 B on offer. Yields stood at 7.950%, 10.257% and 11.127% for 91,182 and 365 days bills respectively.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.90	103.90	97.90	102.90
GBP/KES	131.64	139.64	132.14	139.14
EUR/KES	115.02	122.02	115.52	121.52
AED/KES	25.83	28.83	25.83	28.83

Money Market Rates	Current	Previous	Change
Interbank Rate	5.6426%	5.2944%	0.348
91-Day T-bill	7.950%	7.967%	-0.017
182-Day T-Bill	10.257%	10.265%	-0.008
364-Day T-Bill	11.127%	11.141%	-0.014
Inflation	3.73%	4.18%	-0.450
CBR RATE	9.50%	10.00%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

Continued optimism about the U.S. economy and expectations that the Federal Reserve would raise rates at least two more times this year continued to support the USD, which climbed to a four-month peak against the yen yesterday. U.S. benchmark 10-year yields hit a high of 3.122% yesterday, the highest in nearly seven years and has risen by more than 50 basis points this year, their largest rise in eight years.

The dollar rose to its strongest level versus the JPY since January 23 at 110.80 yen, while the dollar index was up 0.1% to 93.462. Meanwhile, the euro fell to nearly a five-month low against the dollar on concerns about the demands of populist parties likely to form Italy's next government. However, Italian markets were stable as investors played down the broader impact on euro zone political stability.

The euro slipped to \$1.1798, just above the \$1.1763 for 2018 low it hit on Wednesday and has slumped six cents from more than \$1.24 in three weeks after a huge dollar rally. Elsewhere, Sterling gave up earlier gains after the British government dismissed a media report that Britain wanted to stay in the European Union's customs union after Brexit.

In the oil markets, crude prices were off highs touched yesterday, where Brent broke through \$80 supported by strong demand, ongoing supply cuts led by producer cartel OPEC and looming U.S. sanctions against major crude exporter Iran.

However, in Asia trading this morning, markets traded below the multi-year highs from the previous day as surging output from the United States is expected to offset at least some of the shortfalls. Brent crude futures were at \$79.48 per barrel.

Indicative Profit Rates on Deposits		
Amounts > 10 Million	Amounts >100,000	
	KES	USD
Call	6.75%	2.00%
1 Month	8.50%	2.25%
3 Months	9.25%	2.75%
6 Months	9.50%	3.25%
1 year	10.00%	3.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1775	1.1875
GBP/USD	1.3470	1.3570
USD/AED	3.6670	3.6770
USD/JPY	110.40	111.40