



DOMESTIC NEWS

The Kenyan shilling weakened marginally on Friday to close the week slightly lower against the U.S. dollar after inflows at the debt market and from the agriculture sector declined, making the currency lose momentum after holding steady in the previous two trading sessions despite dwindling importer demand. The local currency traded at 100.75/95, compared to Thursday's close of 100.65/85.

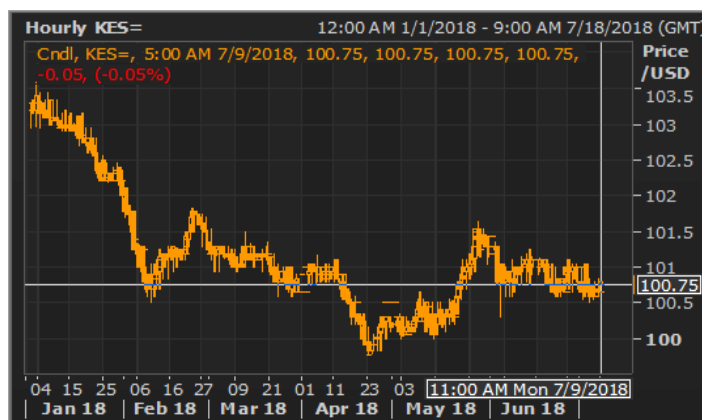
We expect the local unit to remain relatively stable against the US in the short term and trade in the 100.50/101.50 range, supported by inflows from the horticulture sector and the country's high forex reserves amid thin importer demand.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.35	104.35	98.35	103.35
GBP/KES	130.10	138.10	130.60	137.60
EUR/KES	115.10	122.10	115.60	121.60
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	4.8646%	5.4492%	-0.585
91-Day T-bill	7.725%	7.733%	-0.008
182-Day T-Bill	9.499%	9.607%	-0.108
364-Day T-Bill	10.442%	10.488%	-0.046
Inflation	4.28%	3.95%	0.330
CBR RATE	9.50%	10.00%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The US dollar fell to a three-week low on Friday after data showed the U.S. economy created more jobs than expected in June, but a closely-watched inflation gauge - wage growth - rose less than forecast and the unemployment rate increased to 4% from an 18-year low of 3.8% in May. The greenback had already weakened earlier on Friday as the United States and China imposed tariffs on each other's imports.

The dollar index, which measures the greenback against six major global currencies, was down 0.6% to close at 93.90, its lowest in three weeks.

The euro rose 0.45% against the weaker dollar to close at \$1.1760, its strongest since mid-June. The common currency is enjoying a boost from strong German industrial orders and signs Washington has softened its trade rhetoric towards European Union automakers.

Meanwhile, the sterling pound rose to an eight-day high on Friday as traders awaited the outcome of last-ditch efforts by Prime Minister Theresa May to unite her government over plans for Britain's future outside the European Union. The British currency rose 0.4% to close at \$1.3295. The perceived lack of progress in talks with Brussels over Britain's exit from the EU in March 2019 has weighed on the pound this year. Combined with signs of economic weakness, it has pushed the currency to near seven-month lows.

Elsewhere, global oil prices rose on Friday as investors focused on tight market conditions after data last week showed U.S. crude inventories fell to their lowest in more than three years. Brent crude, the global benchmark for oil prices, rose 0.5%, to close at \$77.48 a barrel.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
Call	7.00%	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	1.1710	1.1810
GBP/USD	1.3245	1.345
USD/AED	3.6675	3.6785
USD/JPY	109.95	110.95