



DOMESTIC NEWS

The Kenya shilling was stable against the dollar on Monday as demand was equally matched with supply. There was muted activity from both importers and exporters to swing the market on either side. The market however remains bias for a stronger shilling against the greenback during the week helped by inflows from floriculture exports ahead of Valentines day. This also got a boost after Kenya Airways became the first airline in the world to convert a Boeing 787 Dreamliner passenger plane into a cargo aircraft giving it an opportunity to cash in on high demand for flowers in Europe. By close of the day, the local unit stood at 109.50/70, compared to the day's opening of 109.60/80. The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,617 million (4.68 months of import cover) as at February 04. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover. Elsewhere, international oil prices increased last week after government data showed US crude stockpiles fell to their lowest since March 2020, while OPEC+ maintained its supply cut agreement. Murban oil price (Kenya's benchmark) stood at \$58.50 per barrel on February 04 from \$55.90 per barrel on January 28.

Indicative Forex Rates

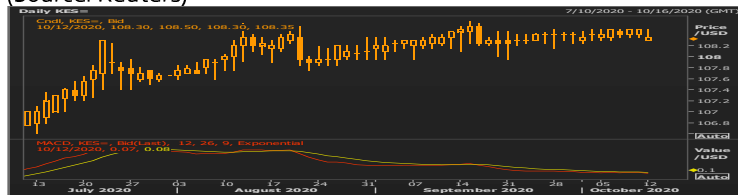
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.10	113.10	107.10	112.10
GBP/KES	147.06	155.06	147.56	154.56
EUR/KES	128.86	135.86	129.36	135.36
AED/KES	27.81	31.87	27.81	31.87

Money Market Rates	Current	Previous	Change
Interbank Rate	5.378%	5.3322%	0.046
91-Day T-bill	6.873%	6.897%	0.024
182-Day T-Bill	7.594%	7.578%	0.016
364-Day T-Bill	8.716%	8.623%	0.093
Inflation	5.690%	5.620%	0.070
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.20700	-0.53900	0.06888
12 months	0.30413	-0.50300	0.12113

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was down in early trade, hovering near its lowest level in a week as doubts began to creep in about a recent rally fueled by hopes of a faster U.S. economic recovery from COVID-19 than elsewhere. Investors had pushed up the greenback thanks to a faster U.S. vaccine rollout relative to most other countries, and as Democrats moved to fast-track President Joe Biden's \$1.9 trillion COVID-19 relief package. However, markets view that the massive fiscal spending coupled with continued ultra-easy Federal Reserve monetary policy could dragging down the dollar in the longer term. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.08% to 90.868 after Friday's disappointing U.S. jobs report. The Euro was little changed at \$1.2075 due to Europe's "lagging" vaccination program but the continent should catch up by the summer, after which the single currency could rally to \$1.2800. The Pound is trading at \$1.3780 after Britain called on Monday for a reset in relations with the European Union and a refinement of a Brexit deal covering trade with Northern Ireland, saying trust was eroded when Brussels attempted to restrict COVID-19 vaccine supplies. Oil is up with Brent at \$61.09, and are at their highest level since January 2020 after Saudi Arabia, the world's biggest oil exporter, implemented additional supply cuts in February and March on top of those implemented by (OPEC+) members. Elsewhere, Tesla sent bitcoin surging to a record above \$47,000 by saying in its 2020 annual report yesterday that it had bought \$1.5 billion of the world's most popular cryptocurrency as part of its broad investment policy, and that it expected to begin accepting the digital asset as payment for its products "in the near future."

Source: Reuters

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	0.05%
1 Month	6.25%	0.75%
3 Months	6.50%	1.00%
6 Months	6.75%	1.25%
1 year	7.00%	1.50%

Indicative Cross Rates

	Bid	Offer
	EUR/USD	1.1885
GBP/USD	1.3610	1.3810
USD/AED	3.6605	3.6865
USD/JPY	103.50	106.50