



DOMESTIC NEWS

The Kenya shilling closed the day stronger against the U.S. dollar at the end of Monday's trading owing to improved foreign currency inflows. Foreign currency inflows from the agricultural and telecommunications sector came to the aid of the local currency outclassing the bantam appetite from importers. Market chatter alludes to range bound trading, as investors look out for fresh factors to offer price direction. By close of the day, the local unit stood at 106.45/65, as compared to the previous day's close of 106.50/60.

Kenya's currency strengthened to a 14-month high against the dollar buoyed by steady forex inflows largely diaspora remittances and foreign investors chasing yields from a tax-free infrastructure bond auctioned last week. However, money market experts have attributed the growth to several factors including forex inflows from diaspora remittances, agricultural exports and loan disbursements from the International Monetary Fund. According to a weekly bulletin by the Central Bank of Kenya, usable foreign exchange reserves remained adequate at \$7.6 billion or 4.63 months of import cover as at May 6. The steady growth in money sent by Kenyans working abroad is attributed to easing Covid-19 restriction measures.

Indicative Forex Rates

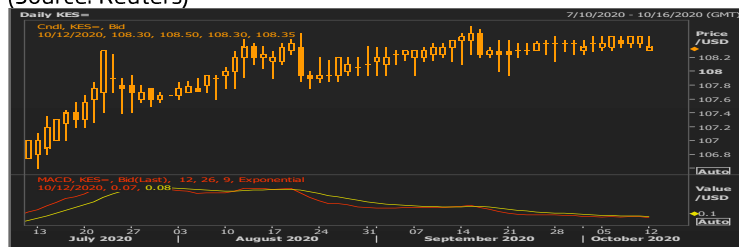
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.00	110.00	103.50	109.50
GBP/KES	146.40	154.40	146.90	153.90
EUR/KES	125.80	132.80	126.30	132.30
AED/KES	27.49	30.49	27.49	30.49

Money Market Rates	Current	Previous	Change
Interbank Rate	2.411%	3.613%	-0.067
91-Day T-bill	7.152%	7.139%	0.013
182-Day T-Bill	7.990%	7.989%	0.001
364-Day T-Bill	9.424%	9.474%	0.050
Inflation	5.760%	5.900%	0.140
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.19275	-0.52686	0.11038
12 months	0.27110	-0.48986	0.16350

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index dollar was up on Monday to 90.237, but gains were capped by expectations that already-surging commodity prices will rise further. Prices for commodities including crude oil, copper and steel are expected to rise further, increasing concerns about runaway inflation. Treasuries and the dollar have alternated between gains and losses as investor expectations on when the U.S. Federal Reserve will start moving away from its current dovish policy vacillate.

The GBP/USD pair stayed depressed at \$1.4113 on Monday as it cheered hardships for the Scottish referendum and easing of the coronavirus led activity restrictions. In addition, today's commentary from the Bank of England (BOE) Governor Andrew Bailey will be the key, as he needs to defy the deflation risk, despite being hawkish.

The euro stayed mildly bid around 1.2140 on Monday. The European Central Bank (ECB) policymaker Isabel recently crossed wires, while rejecting fears from German inflation. The ECB Executive Board Member signaled upside risk to the bloc's key economy.

The USD/JPY pair inched up to 108.89 on Tuesday. The Bank of Japan warned that the uncertainty of Japan's economic recovery from COVID-19 could overshadow its service consumption and the government needs to take stimulus measures to support its economy, according to a summary of an April policy meeting.

Elsewhere, global oil prices were down on Tuesday to \$67.83 per barrel as concerns that rising coronavirus cases in Asia will dampen demand outweighed expectations that a major U.S. fuel pipeline could restart within the week following a cyber-attack.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	KES	USD
2 Weeks	6.00%	0.25%		
1 Month	6.25%	0.50%		
3 Months	6.50%	0.75%		
6 Months	6.75%	1.00%		
1 year	7.00%	1.25%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.2095	1.2250
GBP/USD	1.4080	1.4220
USD/AED	3.6610	3.6865
USD/JPY	108.10	109.50