



DOMESTIC NEWS

The shilling traded sideways against the dollar on Friday as a dearth in activity which has recently prevailed continued to typify the local foreign currency market. The local unit was confined to a tight range for most of the session as activity on both demand and supply counters evenly matched, to leave the shilling little changed against the greenback. With market players lacking fresh factors to give directional impetus, market chatter alludes to range bound trading in today's session if the slowdown in activity continues. By the close of trade, the home unit stood at 107.85/108.05, same as Thursday's close.

In other news, the usable foreign exchange reserves remained adequate at USD 9,590 million (5.86 months of import cover) as at July 8. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover. Meanwhile, Provisional data on balance of payments shows that the current account deficit was 5.5 percent of GDP in the 12 months to May 2021 compared to 5.2 percent of GDP in the 12 months to May 2020. The higher deficit was attributed to lower service receipts, which more than offset the increased receipts from exports and remittances.

Indicative Forex Rates

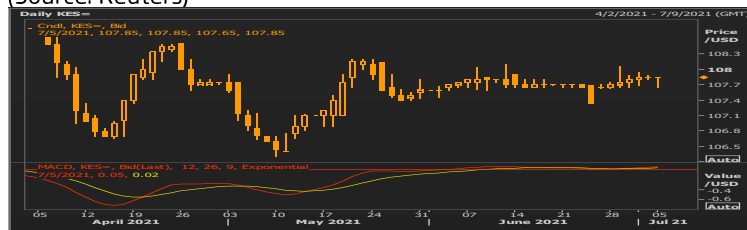
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.45	111.45	104.95	110.95
GBP/KES	145.95	153.95	146.45	153.45
EUR/KES	124.60	131.60	125.20	131.20
AED/KES	27.39	31.39	27.39	31.39

Money Market Rates	Current	Previous	Change
Interbank Rate	4.365%	4.544%	-0.179
91-Day T-bill	6.614%	6.728%	-0.114
182-Day T-Bill	7.101%	7.228%	- 0.127
364-Day T-Bill	7.576%	7.661%	-0.085
Inflation	6.300%	5.900%	0.400
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.15100	-0.52686	0.10175
12 months	0.23888	-0.49243	0.17300

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index edged lower to 92.131 on Friday, with the rally in U.S. Treasuries running out of steam and global stock markets steady. Investors' focus turned to U.S. inflation and when the country's Federal Reserve will start tightening its monetary policy ahead of the release of the U.S. core consumer price index for June on Tuesday.

The GBP/USD pair was strong at \$1.3900 on Friday over the latest Brexit-related developments, Brussels and London were locked in a dispute over the size of the UK's Brexit bill. The EU suggested that Britain would be obliged to pay €47.5bn (£40.8bn) as part of its post-Brexit arrangements. On the coronavirus front, the UK reported the highest number of infections in over five months.

The euro traded lower at \$1.1868 on Friday. European Central Bank President Christine Lagarde that the central bank will update its guidance on monetary stimulus at its next meeting, and indicated that fresh policy might be introduced in 2022 to support the European economy to replace the current bond-buying program.

The Japanese Yen pair inched up 0.01% to 110.16. Data released earlier in the day said Japan's core machinery orders grew a better-than-expected 7.8% month-on-month and 12.2% year-on-year in May.

Elsewhere, global oil prices slipped on Monday to \$75.40 per barrel as concerns over slowing global growth outweighed the prospect of tightening supply after talks among key producers to raise output in coming months stalled.

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	GBP/USD	USD/AED	USD/JPY
EUR/USD	1.1715	1.3620	3.6610	108.20
GBP/USD	1.3620	1.3940	3.6860	111.95
USD/AED	3.6610	3.6860		
USD/JPY	108.20	111.95		