



DOMESTIC NEWS

The Kenyan shilling was marginally stronger versus the dollar in slow trading on Friday, as the interplay of demand and supply tilted in its favor. At the close of trade, the Kenyan unit was posted at 100.95/101.15, 5 cents stronger on the day. We expect the shilling to remain firm this week, supported by good dollar inflows from agricultural exports and diaspora remittances amid slow dollar demand.

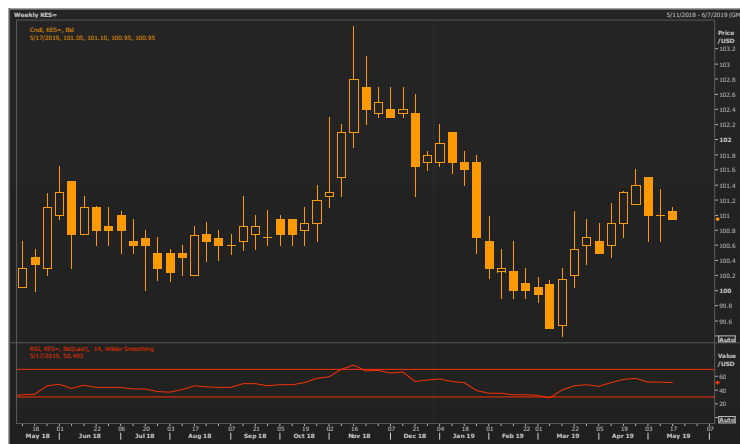
Meanwhile, rates in the overnight money market were a tad lower at 6.26% compared to 6.40% previously on improved liquidity and could dip further during the week.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.55	104.55	98.60	103.60
GBP/KES	127.45	135.45	127.95	134.95
EUR/KES	109.97	116.97	110.47	116.47
AED/KES	26.01	29.01	26.01	29.01

Money Market Rates	Current	Previous	Change
Interbank Rate	6.260%	6.400%	-0.140
91-Day T-bill	7.196%	7.250%	-0.054
182-Day T-Bill	7.897%	7.958%	-0.061
364-Day T-Bill	9.316%	9.320%	-0.004
Inflation	6.58%	4.35%	2.230
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

Global markets were on the edge on Friday as anxiety over whether the United States and China will be able to salvage a trade deal, after Washington sharply hiked tariffs and Beijing vowed to retaliate. Later in the day, Equity markets rebounded, and the dollar pared losses after the US President Donald Trump said U.S.-China trade talks were constructive, easing tensions that pushed stocks on Wall Street toward their biggest weekly loss since December.

The US President had earlier said he was in no hurry to sign a trade deal with China as Washington imposed a new set of tariffs on Chinese goods and negotiators ended two days of talks aimed at salvaging an agreement aimed at ending a 10-month trade war. The United States early in the day increased tariffs on \$200 billion in Chinese goods to 25% from 10%.

To be sure, investors are now bracing for likely reiteration from China for Washington's tariff increase on \$200 billion worth of Chinese goods. The increase in tariffs followed accusations by U.S. President Donald Trump that Beijing "broke the deal" by reneging on earlier commitments.

The U.S. dollar ticked up against the safe-haven Japanese yen as hopes rose for a U.S.-China compromise on trade. The dollar index fell 0.07%, with the euro up 0.12% to \$1.1234.

Oil prices closed the session mostly steady, ending the week slightly lower as the U.S.-Sino trade tensions overshadowed tightening global supplies and expectations of rising U.S. refining demand. Brent crude futures were up 23 cents at \$70.62 a barrel on Friday but posted a weekly loss of 0.3%.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
2 Weeks	6.50%	2.00%		
1 Month	7.00%	2.50%		
3 Months	8.00%	2.75%		
6 Months	8.50%	3.50%		
1 year	9.00%	3.75%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.2275	1.2375
GBP/USD	1.2950	1.3050
USD/AED	3.6665	3.6765
USD/JPY	109.50	110.50