



**DOMESTIC NEWS**

There was no respite for the home unit on Thursday as it weakened further against the U.S. dollar, taking the USDKES pair to weekly highs. The home unit was under pressure as demand for the greenback from various sectors amidst muted foreign currency supply pushed the USDKES pair to close slightly stronger from the day's opening levels. The direction of the USDKES pair remains at the mercy of the larger market sentiment. By close of the day, the local unit stood at 107.10/30, as compared to the previous day's close of 106.75/95.

Meanwhile, the usable foreign exchange reserves remained adequate at USD 7,594.1 million (4.64 months of import cover) as at May 13. 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. In other news, the money market was relatively liquid during the week ending May 13, supported by government payments, which offset tax remittances. Commercial banks' excess reserves stood at KSh 9.6 billion in relation to the 4.25 percent cash reserves requirement. Open market operations remained active. The average interbank rate was 4.97 percent on May 13 compared to 4.07 percent on May 6.

**Indicative Forex Rates**

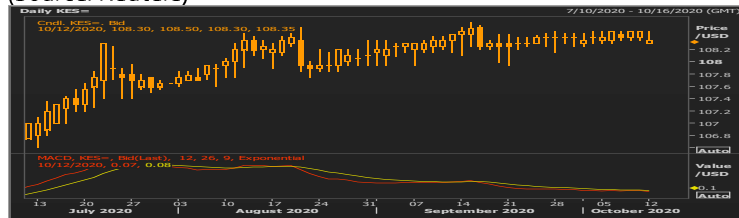
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.70	110.70	104.20	110.20
GBP/KES	146.95	154.95	147.50	154.50
EUR/KES	126.60	133.60	127.10	133.10
AED/KES	27.68	30.68	27.68	30.68

Money Market Rates	Current	Previous	Change
Interbank Rate	4.972%	4.648%	0.324
91-Day T-bill	7.156%	7.152%	0.004
182-Day T-Bill	7.995%	7.990%	0.005
364-Day T-Bill	9.365%	9.424%	0.059
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	0.18763	-0.52857	0.10500
12 months	0.26588	-0.48714	0.16963

(Source: Reuters)



(Source: Reuters)

**INTERNATIONAL NEWS**

The U.S. dollar index was supported at 90.637 on Friday amid renewed worries about coronavirus restrictions in Asia, but investors are heavily positioned for it to fall while the U.S. Federal Reserve keeps rates low. The weak U.S. data released did help to calm rising worries about runaway inflation and bets that the U.S. Federal Reserve would hike interest rates sooner than expected. Market players await the minutes from the U.S. Federal Reserve's latest meeting, due on Wednesday, for further clues on the central bank's next steps.

The GBP/USD pair was in a consolidation mode below 1.4100 on Friday. The UK Prime Minister Boris Johnson said that the new COVID-19 strain, the first detected in India, could pose a serious threat on stage four easing restrictions in June. He expressed his concerns over the speed of the transmission of the new variant. In the meantime, the sterling has lately benefited from some Brexit optimism after UK-Ireland agreed to work smoothly together on post-Brexit trade.

The euro stayed around \$1.2150 on Friday as it remained positive amid the recent risk-on mood, backed by the receding hopes of the Fed's tapering and/or rate hikes.

The Japanese Yen differs from the previous two-day declines while taking bids near 109.45, as Tokyo opens for Monday. Strict activity measures commenced in Japan's six prefectures as the government struggles to tame the coronavirus.

Elsewhere, global oil prices were up on Monday to \$69.06 per barrel, as investors are optimistic about the recovery of fuel demand in key markets, despite concerns over the COVID-19 resurgence in parts of Asia.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	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	1.2010	1.2240
GBP/USD	1.4005	1.4215
USD/AED	3.6610	3.6865
USD/JPY	108.40	110.20