



DOMESTIC NEWS

The Kenya shilling was relatively stable supported by inflows from diaspora remittances and exports proceed amid low dollar demand ahead of the weekend. At the close of trade, the local unit was quoted at 101.00/20, unchanged from the previous day's close.

The local currency is expected to remain steady and trade within the recent range of 100.95-101.50 this week but could come under mild pressure on end of month buying of dollar from importers.

Elsewhere, overnight interbank rates were relatively stable as liquidity conditions somewhat improved on Friday. CBK was in the market last week injecting KES liquidity to support the market. Average interbank rate closed the week at 5.429%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.62	104.62	98.62	103.62
GBP/KES	124.77	132.77	125.27	132.27
EUR/KES	109.27	116.27	109.77	115.77
AED/KES	26.03	29.03	26.03	29.03

Money Market Rates	Current	Previous	Change
Interbank Rate	5.429%	5.429%	0.000
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

The GBP/USD pair edged up 0.1% to 1.2731. Concerns over Brexit is expected to dominate sentiment on sterling this week. Last week, the pair fell to the lowest since January after cross-party Brexit talks collapsed and concern grew about the impact Prime Minister Theresa May's likely resignation would have on Britain's exit from the EU. However, there was a relief for PM May as well when Ireland's deputy prime minister, Simon Coveney, said that Ireland won't renegotiate Brexit agreement if Theresa May is replaced as UK prime minister.

The euro hit a 2.5-week low of 1.1153 in Asia trading and could drop to the psychological level of 1.10 in the near-term if the Eurozone preliminary PMIs, due this Thursday, miss expectations, accentuating growth concerns.

In Japan, data showed Q1 2019 GDP beat forecasts at 2.1%, outperformed expectations of a 0.2% contraction. However, traders remained cautious as the expansion was mostly due to imports declining faster than exports, likely reflecting weak domestic demand. Despite the positive data, the Yen was down on the day to close at 110.20 against the dollar.

Elsewhere, Chinese lawmakers have started announcing their resentment from the US behavior and have also advised to not travel Beijing for further trade talks amid presently pessimistic environment.

Oil prices jumped on Monday after OPEC members indicated intentions to maintain production cuts for the rest of the year. Brent Oil Futures gained 1.4% to \$73.20. The OPEC will make an official decision on production cuts on June 25.

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	1.1120	1.1240
GBP/USD	1.2710	1.2915
USD/AED	3.6675	3.6775
USD/JPY	109.20	110.25