



DOMESTIC NEWS

The domestic unit had a poor run against its American counterpart on Tuesday, closing weaker from its previous close. The local currency traded with a slightly bearish bias in the wake of dollar buying by players from the corporate sector. The trifling foreign currency inflows witnessed from various sectors of the economy, did little to save the local unit from losses. That said, the price action continues to be mainly flow driven with fundamentals taking a back seat in the interim. By close of day, the local unit stood at 110.20/110.40 as compared to Monday's close of 110.10/110.30.

In the meantime, Kenya's gross domestic product jumped higher after the government changed the base calculation year to 2016 from 2009, sending the east African nation's revised nominal GDP to Ksh 10.753 trillion (\$102 Bn) in 2020, the 6th largest economy in Africa. The statistics office also estimated that Kenya's real GDP however contracted by 0.3% in 2020 from a growth of 5% growth in 2019. Using the new updated base year, agriculture remained the dominant sector, with its GDP contribution now at 23% of the total value of the economy in 2020. The contribution of agricultural activities to total GDP shed 12.5 percentage points from a 5-year average of 32.9 per cent in the old series to 20.4% in the new series.

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.80	113.80	107.30	113.30
GBP/KES	146.55	154.55	147.05	154.05
EUR/KES	121.30	129.30	126.20	132.20
AED/KES	28.03	32.03	28.03	32.03

Money Market Rates	Current	Previous	Change
Interbank Rate	6.016%	5.469%	0.547
91-Day T-bill	6.870%	6.781%	0.089
182-Day T-Bill	7.250%	7.253%	-0.003
364-Day T-Bill	7.845%	7.777%	0.068
Inflation	6.570%	6.550%	0.120
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.15250	-0.53957	0.11275
12 months	0.22613	-0.49514	0.26163

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index firmed at 93.19 on Tuesday as experts suggest that the greenback could struggle to advance as the improved pandemic backdrop may sour investor appetite for the safe heavens including the greenback. While the Federal Reserve's plan to tighten its monetary policy measures could help offset less favorable factors for the greenback, such as a wide trade deficit and a higher inflation, the boost to the dollar from Fed tightening isn't expected to be as meaningful as many expect. The Federal Reserve kicked off its two-day meeting on Tuesday and is expected to keep its benchmark rate unchanged when it delivers its monetary policy statement on Wednesday.

The GBP/USD pair remained muted on Tuesday following the day's sluggish momentum at \$1.3659. Little support came for the British pound from US President Joe Biden and UK Prime Minister Boris Johnson who had a face-to-face meeting on Tuesday, as there were no clear signs of early post-Brexit trade with the US. Meanwhile, investors will take cues from the latest policy update by the Bank of England, scheduled on Thursday.

The euro was indecisive at \$1.1722 amid the pre-Fred trading lull on Tuesday. In doing so, the pair traders struggled to portray the market optimism, mainly emanating from China on the Evergrande issue. Alternatively, chatters that the European Union and the US aim to pledge more enforcement to curb China's risk.

Elsewhere, global oil prices rose on Wednesday to \$75.04 per barrel, extending overnight gains, after industry data showed U.S. crude stocks fell more than expected last week in the wake of two hurricanes, highlighting tight supply as demand improves.

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	1.1640	1.1980
GBP/USD	1.3520	1.4160
USD/AED	3.6605	3.6870
USD/JPY	108.30	111.75