



**DOMESTIC NEWS**

The Kenya shilling held broadly on Monday but dollar demand from manufacturers was exerting downward pressure on the local unit. Commercial banks quoted the shilling at 115.90/116.10 per dollar compared to last Friday's close of 115.85/05.

In other local news on commodities Traders withdrew teas worth Sh1.1 billion from the latest auction as prices remain low in the wake of subdued demand. Data from the East African Tea Trade Association (Eatta) indicates that 3.9 million kilogrammes of tea were withdrawn during the sale as the price dipped to \$2.32 (Sh268.8) a kilo from \$2.40 (Sh278) in the previous sale. The latest price is below the minimum value of \$2.43 (Sh281) that the government set last year to safeguard farmers' earnings after a series of poor prices that had dropped below production cost. The minimum price, however, is only applicable to tea from Kenya Tea Development Agency (KTDA).

**Indicative Forex Rates**

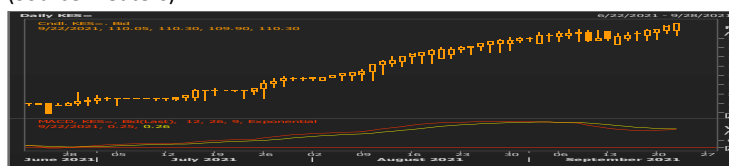
|         | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 112.55   | 119.55    | 114.05 | 124.05  |
| GBP/KES | 139.50   | 152.50    | 139.20 | 154.00  |
| EUR/KES | 118.38   | 131.28    | 119.18 | 130.78  |
| AED/KES | 30.09    | 33.09     | 29.59  | 38.09   |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate     | 4.670%  | 4.670%   | 0.000  |
| 91-Day T-bill      | 7.580%  | 7.497%   | 0.083  |
| 182-Day T-Bill     | 8.542%  | 8.458%   | 0.084  |
| 364-Day T-Bill     | 9.840%  | 9.776%   | 0.021  |
| Inflation          | 6.500%  | 5.560%   | 0.940  |
| CBR RATE           | 7.000%  | 7.000%   | 0.000  |

Source; Central Bank of Kenya)

| LIBOR Rates | USD     | JPY     | GBP     |
|-------------|---------|---------|---------|
| 6 Months    | 1.96457 | 0.03015 | 1.67090 |
| 12 months   | 2.69471 | -       | -       |

(Source: Reuters)



**INTERNATIONAL NEWS**

The dollar was down on Tuesday morning in Asia, but the moves were small. Investors expect additional increases of the same magnitudes as the U.S. Federal Reserve raised its interest rate to 1%. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.05% to 103.632 by 11:36 PM ET (3:36 AM GMT). It rose as high as 104.19 overnight, a 20-year peak.

Central banks have raised their interest rates to tame inflation. The Fed delivered its first half-point rate hike since 2000 last Thursday. The Bank of England also raised its interest rate to 1% as it handed down its policy decision on the day, the highest since 2009.

In the commodities market Oil was down on Tuesday morning in Asia due to demand outlook concerns as top oil importer China imposes lockdowns and economic tensions rise in Europe. Brent oil futures fell 0.87% to \$105.02 by 10:33 PM ET (2:33 AM GMT) while crude oil WTI futures slipped 0.84% to \$102.22. Financial markets are reflecting fears that sanctions on Russian oil imports after its invasion of Ukraine could put some European countries in economic distress.

On the other hand, Gold was up on Tuesday morning in Asia over the weakening dollar. Investors now await inflation data. Gold futures were up 0.24% to \$1,863.89 by 12:50 AM ET (4:51 AM GMT). The dollar, which normally moves inversely to gold, inched down on Tuesday morning. The tightened policy to fight inflation from the U.S. Federal Reserve has fueled five weeks of gains for the dollar. The prospect of aggressive interest rate hikes pushed the U.S. 10-year Treasuries to climb as high as 104.19 overnight, a 20-year peak. As investors expect additional increases of the same magnitude from the Fed, Atlanta Fed President Raphael Bostic said on Monday that he sees no 75-bps rate hike, as there are some signs of inflation cooling.

| Indicative Profit Rates on Deposits |                      |                  |
|-------------------------------------|----------------------|------------------|
|                                     | Amounts > 10 million | Amounts >100,000 |
|                                     | KES                  | USD              |
| 2 Weeks                             | 6.55%                | 0.35%            |
| 1 Month                             | 6.75%                | 0.55%            |
| 3 Months                            | 7.00%                | 0.80%            |
| 6 Months                            | 7.50%                | 1.25%            |
| 1 year                              | 8.00%                | 1.75%            |
| Indicative Cross Rates              |                      |                  |
|                                     | Bid                  | Offer            |
| EUR/USD                             | 1.0135               | 1.1460           |
| GBP/USD                             | 1.2010               | 1.3365           |
| USD/AED                             | 3.6150               | 3.6955           |
| USD/JPY                             | 127.30               | 135.50           |