



**DOMESTIC NEWS**

Kenya shilling lost ground on Friday to touch a new all-time low due to increased dollar demand especially from the oil companies.

Commercial banks quoted the shillings at 118.20/40 per dollar compared to Thursday's close of 118.10/118.30.

In other local news, the commodity markets registered a mixed fortune in the latest auction with coffee prices rising for a second time in a row while tea fell marginally. Data from the Nairobi Coffee Exchange shows the price of the beverage increased to \$267 (Sh31,506) per 50-kilogramme bag from \$265 (Sh31,270) in the previous sale. This is the second time that coffee prices have rallied since the auction resumed last week after a one-month recess. The coffee prices at the auction have been helped by high demand from roasters who are now restocking with the reopening of the auction after the May closure. The auction is now receiving a short season crop after the main one came to an end shortly before the auction took a break in May.

**Indicative Forex Rates**

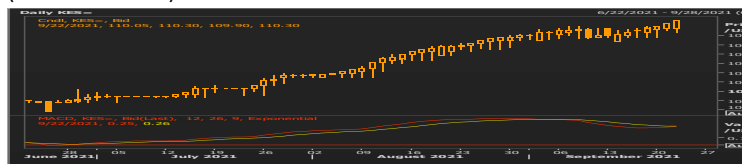
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.95	129.45	115.45	126.45
GBP/KES	136.85	156.35	136.05	150.85
EUR/KES	114.68	140.58	114.98	133.58
AED/KES	28.25	44.25	30.25	37.75

Money Market Rates	Current	Previous	Change
Interbank Rate	5.440%	5.800%	0.360
91-Day T-bill	8.248%	8.167%	0.081
182-Day T-Bill	9.305%	9.253%	0.052
364-Day T-Bill	9.986%	9.980%	0.006
Inflation	7.910%	7.080%	0.830
CBR RATE	7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.31129	0.04823	2.50910
12 months	3.89643	-	-

(Source: Reuters)



**INTERNATIONAL NEWS**

The dollar began the week nudging down from multi-year highs, with a hotter-than-forecast inflation reading in New Zealand lending modest support to the kiwi, though fears about Europe's gas supply put a cap on dollar selling. The greenback has soared this year thanks to a combination of rising U.S. interest rates and wobbling economies in Europe and China. It pushed above parity on the euro for the first time in almost 20 years last week, before easing back. The euro on the other hand, last bought \$1.00955 and the yen, which has tumbled about 17% this year, steadied at 138.37 per dollar. The New Zealand dollar and the Aussie inched higher after inflation surged to a three-decade high in New Zealand.

In the commodities market, Gold was up on Monday morning in Asia over a pullback in the U.S. dollar as investors' bets of a 100-basis-point interest rate hike from the U.S. Federal Reserve this month receded. Gold futures were up 0.52% to \$1,671.75 by 9:35 PM ET (1:35 AM GMT). The dollar, which normally moves inversely to gold, edged down on Monday morning as the Fed signaled that they would stick to a 75-bp rate increase during their meeting on July 26-27 to bring down inflation.

Oil prices on the other hand extended gains on Monday, propped up by a weaker dollar and tight supplies that offset concerns about recession and the prospect of widespread COVID-19 lockdowns in China again reducing fuel demand. Brent futures for September settlement rose 69 cents, or 0.7%, to \$101.85 a barrel by 0421 GMT, after a 2.1% gain on Friday's. West Texas Intermediate (WTI) crude futures for August delivery edged up 27 cents, or 0.3%, to \$97.86 a barrel, after climbing 1.9% in the previous session.

Indicative Profit Rates on Deposits		
	Amounts > 10 million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	0.35%
1 Month	6.55%	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	0.9899	1.0209
GBP/USD	1.1603	1.2013
USD/AED	3.6527	3.6931
USD/JPY	136.87	140.07