



DOMESTIC NEWS

Kenya shilling held ground on Monday but strained as offshore investors sought to repatriate dollars after divesting from the bond market.

Commercial banks quoted the shillings at 118.40/60 per dollar compared to Friday's close of 118.20/40

In other local news, Investors' wealth at the Nairobi Securities Exchange (NSE) plunged Sh95 billion as local traders raced to profit from stocks bought cheaply a month ago. The NSE's market capitalization closed at Sh2.15 trillion on Monday, down from Sh2.25 trillion last Thursday as a result of the profit taking, analysts said. The drop followed a rally at the Nairobi bourse as local investors scrambled to buy shares that were trading at multiple-year lows following a sell-off by foreigners. Before Thursday, the NSE had gained Sh433 billion from June 27 when the market value dipped to a five-year low of Sh1,820 trillion.

Indicative Forex Rates

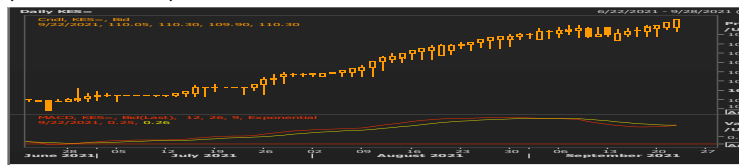
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	115.05	129.55	115.55	126.55
GBP/KES	137.74	157.24	136.94	151.74
EUR/KES	115.35	141.25	115.65	134.25
AED/KES	28.58	44.28	30.28	37.78

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.310%	5.440%	-0.130
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 U.S. dollar hovered on Tuesday just above a one-week low reached overnight versus major peers as markets reduced the odds of a percentage-point Federal Reserve rate hike this month.

The dollar index - which gauges the greenback against six counterparts - was flat at 107.47. That was off Monday's low of 106.88 but also well back from the high of 109.29 last week, a level not seen since September 2002.

On the other hand, the Euro, which is the most heavily weighted currency in the dollar index, slipped 0.08% to \$1.01355, but that came after putting on around 0.6% overnight for a second day of strong gains. The common currency slid as low as \$0.9952 on Thursday for the first time since December 2002, pressured by uncertainty about a potential energy supply crunch in the euro zone.

In the commodities markets, Oil prices ran out of steam on Tuesday after gaining more than \$5 a barrel in the previous session with concerns that surging crude will feed into a demand-killing recession slightly outpacing continued worries about tight supply.

Brent crude futures for September settlement fell 43 cents to \$105.84 a barrel by 0446 GMT. The contract rose 5.1% on Monday, the biggest percentage gain since April 12.

WTI crude futures for August delivery dipped 28 cents to \$102.32 a barrel. The contract climbed 5.1% on Monday and the largest percentage gain since May 11.

The August WTI contract expires on Wednesday and the more actively traded September future was at \$98.98 a barrel, down 44 cents.

Gold was down on Tuesday morning in Asia. It is hovering near an 11-month low as investors gauge the outlook for further monetary policy tightening and the impact on global growth.

Gold futures edged down 0.19% to \$1,706.95 by 12:03 PM ET (4:03 AM GMT). The dollar, which normally moves inversely to gold, edged up on Wednesday morning.

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	0.9897	1.0322
GBP/USD	1.1660	1.2103
USD/AED	3.6527	3.6931
USD/JPY	136.80	140.00