



DOMESTIC NEWS

Kenya shilling weakened slightly to hit a new record low on Tuesday as a paucity of foreign currency inflows met robust demand from importers. Commercial banks quoted the shillings at 117.40/60 compared to Monday's close of 117.30/50 (Reuters)

In other local news in the market, the scramble for US dollars has seen a widening spread in the pricing of the foreign currency by a margin of more than Sh10. The bid-ask spread - the difference between the price a dealer buys and sells a currency - has increased from as low as Sh2 in March.

Bankers say clients are rushing to stock up on the dollar - the dominant currency in international transactions - and this has led to its gradual strengthening against the Kenya Shilling.

Most banks are now selling a dollar at between 123 and 126 units of the local currency while buying the greenback at 111 to 116 units of the Kenya Shilling.

Indicative Forex Rates

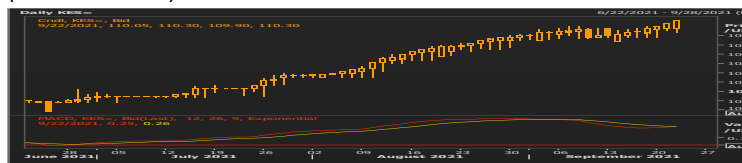
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.00	126.00	114.00	125.60
GBP/KES	140.77	153.77	139.47	154.37
EUR/KES	118.94	138.34	118.74	137.24
AED/KES	30.49	36.49	29.99	33.81

Money Market Rates	Current	Previous	Change
Interbank Rate	5.150%	5.300%	-0.015
91-Day T-bill	7.925%	7.866%	0.067
182-Day T-Bill	9.096%	9.037%	0.073
364-Day T-Bill	9.961%	9.952%	0.054
Inflation	7.080%	6.500%	0.580
CBR RATE	7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.81286	0.04083	2.28570
12 months	3.62057	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The safe haven dollar gained ground on most peers on Wednesday as investors turned nervous again about global growth prospects, while the yen hit a fresh 24-year low as elevated bond yields in the U.S. and Europe contrasted with low Japanese interest rates.

The euro fell 0.3% to \$1.0493, and sterling was down 0.4% at \$1.2228 ahead of British consumer price data, as investors turned to the dollar as part of a move away from riskier assets which also saw a stock market rally fizzle out.

Wednesday's other main event is the start of U.S. Federal Reserve Chair Jerome Powell's two-day testimony to Congress, with investors looking for further clues about whether another 75-basis point rate hike is on the cards at the Fed's July meeting.

The dollar index was 0.3% higher at 104.7.

In the commodities market, Oil was down on Wednesday morning in Asia as U.S. President Joe Biden is set to push for U.S. fuel cost cuts.

Brent oil futures slid 3.03% to \$111.18 by 12:40 a.m. ET (0440 GMT) and crude oil WTI futures dived 3.37% to \$105.83.

U.S. President Joe Biden is expected on Wednesday to call on Congress to temporarily suspend a federal tax on gasoline to bring down soaring fuel prices and alleviate the pressure on consumers.

Gold on the other hand was down on Wednesday morning in Asia as the U.S. dollar firmed ahead of U.S. Federal Reserve Chair's two-day testimony where investors are expecting to seek more clues on monetary policies.

Gold futures fell 0.42% to \$1,831.10 by 11:43 p.m. ET (0343 GMT). The dollar, which normally moves inversely to gold, edged up on Wednesday morning, denting demand for non-yielding bullion.

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	1.0316	1.0725
GBP/USD	1.2063	1.2460
USD/AED	3.6524	3.6933
USD/JPY	133.05	136.95