



DOMESTIC NEWS

Kenya shilling was unchanged on Tuesday and is expected to weaken due to increased demand for dollars from importers across most sectors in the economy. Commercial banks quoted the shillings at 118.60/80 per dollar compared with Friday's close of 118.55/75.

In other local news, Kenya has run out of the new Internet-enabled electronic tax registers (ETRs) that relay real-time data on daily sales to the Kenya Revenue Authority (KRA), a hitch that could ground operations of some traders in five days.

More than half of the licensed dealers of the new tax registers have run out of the machines and are awaiting new shipments ahead of the July 31 deadline. Kenyan manufacturers and traders are racing to upgrade their ETRs at their premises ahead of the deadline to avoid paying a Sh1 million fine or a jail term of three years.

Indicative Forex Rates

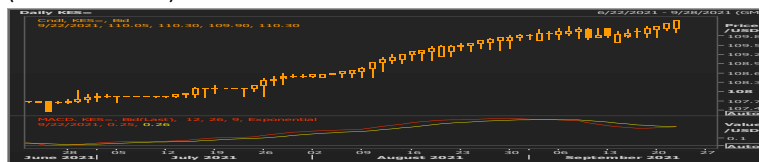
| | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 115.35 | 126.35 | 115.85 | 126.55 |
| GBP/KES | 139.29 | 158.79 | 138.49 | 153.29 |
| EUR/KES | 115.71 | 141.61 | 116.01 | 134.61 |
| AED/KES | 28.63 | 44.36 | 30.36 | 37.86 |

| Money Rates | Market | Current | Previous | Change |
|----------------|--------|---------|----------|--------|
| Interbank Rate | | 5.340% | 5.240% | 0.100 |
| 91-Day T-bill | | 8.322% | 8.248% | 0.074 |
| 182-Day T-Bill | | 9.393% | 9.305% | 0.088 |
| 364-Day T-Bill | | 9.968% | 9.986% | 0.018 |
| 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 | 3.28529 | 0.04330 | 2.46240 |
| 12 months | 3.77529 | - | - |

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Wednesday morning in Asia ahead of an expected U.S. interest rate hike from the U.S. Federal Reserve.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged down 0.19% to 106.99 by 12:35 AM ET (4:35 AM GMT).

Versus other currencies, the USD/JPY pair inched up 0.08% to 137.01 while the AUD/USD pair inched down 0.04% to 0.6935. NZD/USD pair inched up 0.05% to 0.6236.

The EUR/USD jumped 0.37% to 1.0151. Europe's growth remains vulnerable to Russian gas supplies, as flows along the Nord Stream pipe from Russia to Germany fell on Tuesday and will drop further on Wednesday.

The Fed is widely expected to hike interest rates by another 75 basis points at the conclusion of its policy meeting on Wednesday.

In the commodities market, Gold is down on Wednesday morning in Asia ahead of the policy decision from the U.S. Federal Reserve.

Gold futures edged down 0.15% to \$1,715.20 by 11:52 PM ET (3:52 AM GMT). The dollar, which normally moves inversely to gold, edged down on Wednesday morning.

U.S. equities fell on Tuesday ahead of an expected interest rate hike decision from the Fed as investors were concerned about the slowing economy with signs of energy woes in Europe.

Oil prices held steady on Wednesday as concerns about weaker demand offset industry data that showed a larger-than-expected drawdown in U.S. crude stockpiles.

Brent crude futures were at \$104.35 a barrel at 0250 GMT, down 5 cents, or 0.05%. U.S. West Texas Intermediate (WTI) crude rose 9 cents, or 0.1%, to \$95.07 a barrel. WTI had climbed nearly \$1 earlier in the 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 | 0.9997 | 1.0435 |
| GBP/USD | 1.1867 | 1.2219 |
| USD/AED | 3.6528 | 3.6931 |
| USD/JPY | 134.55 | 138.35 |