



DOMESTIC NEWS

Kenya shilling was firm on Tuesday but was threatened by dollar appetite from fuel importers that was not matched by inflows of hard currency. Commercial banks quoted the shillings at 117.80/118.00 against the Mondays close of 117.85/05 per dollar.

In other local news in the market Treasury faces a headache raising Sh240 billion from external lenders in the current fiscal year for budget deficit financing after interest rates on the country's sovereign debt rose to new highs of nearly 17 percent.

Yields on Kenya's outstanding Eurobonds that are trading on the London and Irish stock exchanges have risen by an average of 4.4 percentage points since the end of May, forcing the government to rethink plans to float a new sovereign bond for the fiscal year that ended on June 30.

Indicative Forex Rates

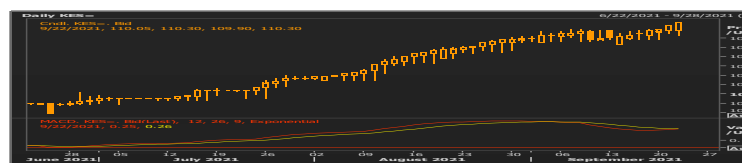
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	115.60	127.10	115.10	126.10
GBP/KES	136.88	149.88	138.88	150.88
EUR/KES	116.05	141.95	119.95	134.95
AED/KES	28.15	42.15	30.15	37.65

Money Market Rates	Current	Previous	Change
Interbank Rate	5.820%	5.610%	0.210
91-Day T-bill	8.097%	8.013%	0.084
182-Day T-Bill	9.196%	9.163%	0.033
364-Day T-Bill	9.985%	9.974%	0.011
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	2.94329	0.03713	2.28460
12 months	3.55129	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar stood tall on Wednesday, holding at a 20-year peak against the euro and multi-month highs against other major peers as higher gas prices and political uncertainty renewed recession fears and sent investors scrambling to the safe-haven currency.

The euro was at \$1.0262, only a fraction above its overnight low of \$1.0236, its weakest since late 2002. Sterling was also trading down slightly at \$1.1965 just off its 18-month intraday low hit overnight, and the Aussie dollar was under pressure at \$0.6816.

This euro's drop against the sterling was much more muted however, (slipping just 0.2% on Tuesday) as sterling was hit by fresh political turmoil. Prime Minister Boris Johnson's premiership tottered on the brink after the resignations of two senior UK cabinet ministers - finance minister Rishi Sunak and health secretary Sajid Javid - over his leadership. In contrast the recently-under-fire Japanese yen gained a little support from some safety bids, with the dollar dropping 0.2% to 135.5 yen.

In the commodities market, Gold was down on Wednesday morning in Asia, as the dollar paused for breath after surging to 20-year highs. Gold futures inched up 0.03% to \$1,764.35 by 12:54 AM ET (4:54 AM GMT). The dollar, which normally moves inversely to gold, inched up on Wednesday morning. The dollar index hovered near its highest level since 2002 as renewed recession fears sent investors to the safe-haven currency.

On the other hand, Oil was up on Wednesday morning in Asia, as investors shifted their focuses to supply tightness although recession worries mounted. Brent oil futures rose 1.06% to \$103.86 by 12:09 AM ET (4:09 AM GMT), after plunging 9.5% on Tuesday, the biggest daily drop since March. Crude oil WTI futures gained 0.42% to \$99.92.

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	1.0225	1.0541
GBP/USD	1.1727	1.2135
USD/AED	3.6527	3.6931
USD/JPY	133.77	137.95