



DOMESTIC NEWS

Kenya shilling traded flat on Tuesday but is still vulnerable to weakening as the dollar demand from fuel companies and the manufacturing sector outmatched inflows. Commercial banks quoted the shillings at 116.80/117.00 per dollar same as Mondays close.

In other local news in the market, Kenyan lenders have started transitioning their loans, deposits and borrowings whose interest rates are pegged on the expiring London Inter-Bank Offered Rate (Libor).

Libor, the global benchmark interest rate of more than 40 years, is being replaced after investigations in 2012 revealed multiple banks were manipulating the rates for profit.

At the end of December, all British pound, euro, Swiss franc and Japanese yen instruments, and the one-week and two-month US dollar instruments stopped using the rate.

Indicative Forex Rates

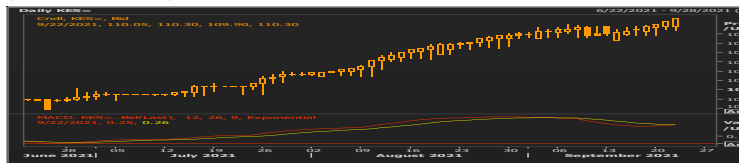
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.50	124.50	115.00	123.50
GBP/KES	143.00	156.00	142.70	152.50
EUR/KES	120.59	134.49	121.39	131.99
AED/KES	30.35	36.35	29.85	37.35

Money Market Rates	Current	Previous	Change
Interbank Rate	4.700%	4.640%	0.040
91-Day T-bill	7.811%	7.758%	0.067
182-Day T-Bill	8.974%	8.901%	0.073
364-Day T-Bill	9.934%	9.881%	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	2.18800	0.01581	1.94500
12 months	2.85229	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar is up this Wednesday morning in Asia as central banks globally are expected to brace for tightening policies to tame inflation. The U.S. Dollar Index that tracks the greenback against a basket of other currencies gained 0.28% to 102.60 by 12:23 PM ET (4:24 AM GMT).

Against the Yen dollar jumped 0.40 with the USD/JPY pair up to 133.12. The yen continued its loss after sliding to a 20-year low as the Bank of Japan (BOJ) has given no indication of giving up ultra-easy monetary policies.

In the commodities market, Oil prices drifted higher on Wednesday, anticipating a report of low U.S. oil stocks, while expectations of solid demand in the upcoming driving season also lent support.

Brent crude futures for August had risen 21 cents, or 0.2%, to \$120.79 a barrel by 0413 GMT after closing on Tuesday at the highest since May 31.

U.S. West Texas Intermediate crude for July was at \$119.75 a barrel, up 34 cents, or 0.3%, after reaching its highest settlement since March 8 in the previous session.

Gold on the other hand is down this morning in Asia as investors awaited the U.S. consumer price index (CPI) for more clues on the interest rate hikes.

Gold futures inched down 0.05% to \$1,851.05 by 11:01 PM ET (3:01 AM GMT). The dollar, which normally moves inversely to gold, edged up on Wednesday morning.

U.S. Treasury Secretary Janet Yellen said on Tuesday that inflation might remain high, and the Biden administration is likely to increase the 4.7% inflation forecast for this year in its budget proposal.

According to Yellen Gold-related transactions involving Russia may be sanctioned, and any efforts to circumvent U.S. sanctions using gold are closely monitored.

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	1.0476	1.0880
GBP/USD	1.2276	1.2683
USD/AED	3.6526	3.6935
USD/JPY	130.29	135.12