

Today's Indicative Exchange Rate for SWIFT transfers:

	Against USD		Against KES	
	Bid	Ask	Bid	Ask
USD	-	-	106.05	108.55
GBP	1.4066	1.4166	149.17	153.77
EUR	1.2144	1.2244	128.79	132.91
JPY	108.08	109.58	0.9678	1.0043
AED	3.49	3.69	28.74	31.10
AUD	0.7697	0.7797	81.63	84.64
ZAR	12.75	14.25	7.44	8.51
UGX	3412	3612	31.43	34.06

Kenya Shilling: The Kenyan shilling inched up against the dollar on Wednesday and traders said they were focusing on the central bank's decision on interest rates later in the day.

Money-Market: The overnight rate fell to 5.0656% on a volume of Kes.7.620B compared to Kes.8.505B posted in the previous session.

Global Trends:

EUR: The euro edged lower against dollar on Wednesday after dovish comments from ECB board member Fabio Panetta saying the ECB should not reduce the pace of asset purchases as the economic recovery is in an early phase and inflation remains too low.

GBP: Britain's pound declined against the dollar on Wednesday, as a lack of fresh economic catalysts in a sparse data calendar attracted sellers.

JPY: The dollar gained against the Japanese yen Wednesday as Federal Reserve officials continued to downplay prospects of rising inflation.

GOLD: Gold fell below the key \$1,900 per ounce level on Wednesday, as a rebounding dollar and U.S. Treasury yields dimmed its appeal, although continued expectations of a dovish stance from U.S. Federal Reserve kept its losses limited.

OIL: Oil prices settled higher as a drop in U.S. crude stockpiles reinforced expectations of improving demand ahead of the peak summer driving season, offsetting worries that a possible return of Iranian supply would cause a glut.

Market Summary:

	26.05	25.05	21.05	20.05	19.05
Interbank Rate (%)	5.0656	5.1044	4.9225	4.9225	4.8557
NSE 20 Share index	1,865.30	1,863.86	1,858.87	1,852.28	1,838.25
Oil (\$)	68.60	68.77	66.96	65.20	67.00
Gold (\$)	1,902.00	1,896.00	1,885.50	1,876.15	1,873.55

Inflation & CBR

	Apr	Mar	Feb	Jan	Dec
Inflation rate	5.80%	5.90%	5.80%	5.70%	5.60%
CBR rate	7.00%	7.00%	7.00%	7.00%	7.00%

Libor Rates (%)

Tenure	USD	GBP	EUR
O/N	0.06063	0.04125	-0.57771
1M	0.09000	0.05313	-0.57543
3M	0.13850	0.08300	-0.54686
6M	0.17675	0.10625	-0.52257

Deposit Rates (> 20M)

Tenure	Rate
Call	3.00%
1M	5.00%
3M	6.00%
6M	7.00%

Treasury Bills

	Current rate	Previous rate
91-day	7.156%	7.152%
182-day	7.995%	7.990%
364-day	9.365%	9.424%

Highlight of the Day:

USD: The dollar turned upward against major currencies for the first time this week as U.S. yields held steady, Japan's economic outlook worsened and the Reserve Bank of New Zealand surprised markets by hinting at a higher interest rates.

The foreign exchange markets are wary of taking trends too far right now because key U.S. economic data is coming out on Thursday and Friday. Most important is Friday's release of an inflation measure watched closely by the U.S. Federal Reserve. If it is stronger than expected, yields could rise and power the dollar higher. If weaker, the Fed's low interest rate outlook could continue and the dollar's downtrend could resume.

Sources: Bloomberg, FXStreet, Reuters, Global-rates, CBK, EconoTimes, BRecorder.

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