



Date: 20th July 2010

US DOLLAR:

The Kenya shilling was barely changed against the dollar on Monday and traders said it might be trapped in a narrow range as banks hold on to long dollar positions ahead of August's constitutional referendum. Dealers in the market quoted the currency at 81.48/81.58 against the dollar compared with Friday's close of 81.45/81.55. Like other emerging market currencies, the shilling declined sharply in May after the euro fell against the dollar on concerns about the fiscal health of the euro zone. But the after the euro gained against the dollar last week, the shilling has not followed it upwards, largely due to lingering concerns over the August 4 vote. The poll is seen as an indicator of stability by investors. The pair is expected to trade within the range of 81.00-82.00 in the coming days.

EURO:

The Euro bounced back on Monday, with the exchange rate advancing to a high of 1.2991 during the overnight trade, but the lack of momentum to bounce back above 1.3000 could drag the pair lower as the single-currency remains overbought. Meanwhile, the Bundesbank held an improved outlook in its monthly report and said the pace of expansion noticeable improved in the second quarter as dynamic global growth remained the main driver for the German economy. In addition, the German central bank talked down speculation for a double-dip recession and expects GDP to expand at an annual pace of 1.9% this year. The pair is currently trading at 1.2985.

STERLING POUND:

The British Pound extended the decline from the previous week and slipped to a low of 1.5259 during the overnight trade, and the GBP/USD appears to have carved a near-term top as price action continues to hold at 1.5577. Meanwhile, Moody's Investor Services downgraded its credit rating for Ireland to Aa2 from Aa1 following a significant loss of financial strength in the region, but held a stable outlook for the nation as the government takes unprecedented steps to address the budget deficit. The pound is currently trading at 1.5290.

KENYAN INTEREST RATES:

The interbank over-night rates are between 1.20% - 1.45%

T.BILLS TENDER AVERAGE (LAST AUCTION)

91 DAYS = 1.728% 182 DAYS = 1.800%
364 DAYS = 4.199%

INDICATIVE EXCHANGE RATES:

CURRENCY	BUY	SELL
U.S. DOLLAR	80.15	82.35
STERLING POUND	123.25	125.55
EURO	104.10	106.80
JAPANESE YEN	92.60	95.10
SWISS FRANC	76.25	78.45
SOUTHAFRICAN RAND	9.70	11.80
CANADIAN DOLLAR	76.30	79.50
UGANDA SHILLING	26.80	28.90
TANZANIA SHILLING	17.40	19.60

CROSS RATES (Quoted against the U.S. Dollar)	BUY	SELL
STERLING POUND	1.4945	1.5545
EURO	1.2380	1.2980
JAPANESE YEN	85.41	90.60
SWISS FRANC	1.0420	1.1000
SOUTH AFRICAN RAND	6.95	8.90
CANADIAN DOLLAR	1.0360	1.0861
UGANDA SHILLING	2120	2460
TANZANIA SHILLING	1350	1750

INDICATIVE INTEREST RATES: \$250000>		
CURRENCY	1 MONTH	3 MONTH
KENYA SHILLING	1.50	2.25
U.S. DOLLAR	0.35	0.55
STERLING POUND	0.55	0.75
EURO	0.45	0.70
SOUTH AFRICA RAND	6.00	6.50
UGANDA SHILLING	4.50	5.50
TANZANIA SHILLING	3.00	4.00

For more information and firm pricing, please contact our dealers Sankul Mandavia, Bernard Matimu, Maxwell Mutinda, Lorna Mwangi, Brenda Wabule, James Mwai, Michael Nderitu and Maureen Mbori on 2888291,326- 332, 2716478 or 2721820 or visit our website www.nic-bank.com

