



DOMESTIC NEWS

The Kenya shilling waned against the dollar on Friday as foreign currency demand across all sectors outpaced inflows. Commercial banks quoted the shillings at 125.80/126.00 per dollar compared to 125.70/90 at the close of trading on Thursday.

In other news locally, The Supreme Court is expected to settle a long-running dispute on whether banks must seek approval from the Treasury Cabinet Secretary before increasing lending rates. The Court of Appeal judges allowed Stanbic Bank to seek clarity from Kenya's highest court over section 44 of the Banking Act which requires lenders to seek the approval of the Cabinet Secretary before increasing the rate of banking. The bank wants the seven-judge court to determine whether the rate of banking is equivalent to lending rates. It holds the position that the rate of banking refers to bank charges like ATM charges, wire transfer fees and account maintenance charges. The Supreme Court will also decide if section 52 of the Banking Act offers banks the freedom to vary interest rates on the strength of contractual agreements with borrowers without seeking the nod of the Cabinet Secretary.

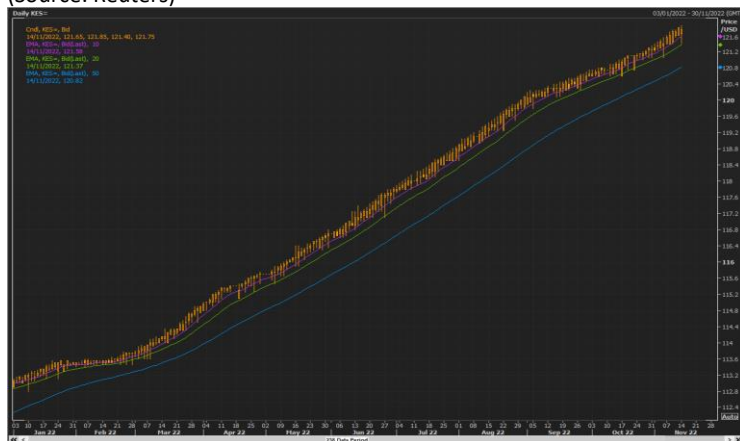
(Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	121.90	133.40	121.90	132.40
GBP/KES	147.47	160.47	146.67	161.37
EUR/KES	129.63	143.53	129.93	146.43
AED/KES	30.28	43.28	32.28	40.28

Amounts > 10 million		Amounts >100,000	
KES		USD	
2 Weeks	7.00%	1.25%	
1 Month	7.00%	2.00%	
3 Months	7.50%	2.50%	
6 Months	8.00%	3.25%	
1 year	8.50%	4.00%	

(Source: Reuters)



INTERNATIONAL NEWS

The dollar edged lower against the euro and sterling on Friday, as the market readjusts ahead of the long weekend and awaits clues on how the Federal Reserve plans to continue tackling still-high inflation. Several Federal Reserve officials signaled this week that the U.S. central bank likely must raise interest rates higher to bring inflation back to its desired levels. That hawkish speak coupled with hotter-than-expected economic data has led some banks to forecast three additional rate hikes this year. The dollar index was last down 0.24% at 103.83, after earlier reaching 104.67, the highest since Jan. 6. On the other hand, Sterling was up 0.48% at \$1.2044 while the euro rose 0.22% to \$1.0696, after earlier falling to \$1.06125, the lowest since Jan. 6. European Central Bank (ECB) officials have also made clear that they expect euro zone rates to keep rising.

In the commodities markets, Oil prices rose on Monday amid optimism over China's demand recovery, concerns that underinvestment will crimp future oil supply and as major producers keep output limits in place. Brent crude rose 47 cents, or 0.6%, to \$83.47 a barrel by 0445 GMT. U.S. West Texas Intermediate (WTI) crude for March, which expires on Tuesday, was at \$76.78 a barrel, up 44 cents or 0.6%. The more active April contract was up 0.5% at \$76.90. The benchmarks settled down \$2 a barrel on Friday and closed lower by about 4% last week after the United States reported higher crude and gasoline inventories.

Gold prices hovered around a six-week low on Monday, moving little as traders awaited more cues on U.S. monetary policy from a slew of Federal Reserve speakers this week, as well as the minutes of the central bank's February meeting.

Gold marked three straight weeks of losses, falling sharply from a nine-month high hit earlier this year as overheated inflation readings and signs of strength in the U.S. jobs markets indicated that the Federal Reserve had enough impetus to keep raising interest rates in the near-term. Spot gold was flat around \$1,837.89 an ounce, while gold futures moved little at 1,846.95 an ounce by 19:20 ET (00:20 GMT). Both instruments were nursing three straight weeks of losses. *(Reuters)*

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0490	1.0893
GBP/USD	1.1841	1.2250
USD/ZAR	16.0385	19.0555
USD/AED	3.6624	3.6824
USD/JPY	132.05	136.05