

DOMESTIC NEWS

The home unit drifted south albeit marginally against its American counterpart in Friday's trading session.

Markets witnessed the shilling strengthen to monthly highs on account of increased inflows in early trading, however an upsurge in dollar demand towards closing bell, likely from traders closing out on their short positions, upset the shilling leading to a slightly softer close.

In the new week, we expect flows to remain the main determinant in the direction for the USDKES pair, though the shilling will probably be underpinned if ample dollar supply seen in the previous sessions persists.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.45	108.15
GBP/KES	124.87	133.19
EUR/KES	108.62	118.45
JPY/KES	0.92	1.07

Forward Rate(USD)(1 month)	
BUY	101.40
SELL	109.45
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.23%	4.18 %	-14.00
91-Day T-bill	7.24%	7.253%	+1.70
182-Day T-bill	8.134%	8.151%	+1.70
364-Day T-bill	9.115%	9.161%	+0.50
Inflation	5.78%	5.62%	-5.00



INTERNATIONAL NEWS

The greenback rose against some currencies on Friday on the back of a better than expected data print, U.S. job losses in April was recorded at 20.5 million, against an expectation of 22 million while unemployment rate was 14.7%, lower than the market forecast of 16%. Meanwhile, investors were mildly optimistic, as economies began to ease restrictive measures, hoping for economic recoveries.

The Euro traded mostly flat against the dollar on Friday. This week will be lighter in terms of macroeconomic releases as markets await EU and German Q1 GDP figures and German inflation data later in the week.

The GBP/USD pair was firm on Friday as UK PM Johnson stepped back from "Stay at Home" to "Stay Alert" while easing lockdown restrictions. Amid a light calendar, traders are now focused on the third round of Brexit negotiations between the UK and European Union (EU).

Earlier today in Tokyo, the USDJPY pair traded at 106.90 levels, with the dollar higher on raised hopes for a quicker recovery from a deep recession triggered by the coronavirus health crisis.

Indicative Deposit Rates			
	Amounts > KES 20 million		Amounts > 100,000
	KES	USD	EURO
Call	3.00%	0.25%	0.00%
1 month	4.25%	0.25%	0.00%
3 months	4.50%	0.35%	0.00%
6 months	5.00%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1620
GBP	1.180	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication