

DOMESTIC NEWS

The Kenya shilling continued its downward trajectory against the dollar in Wednesday's trading session.

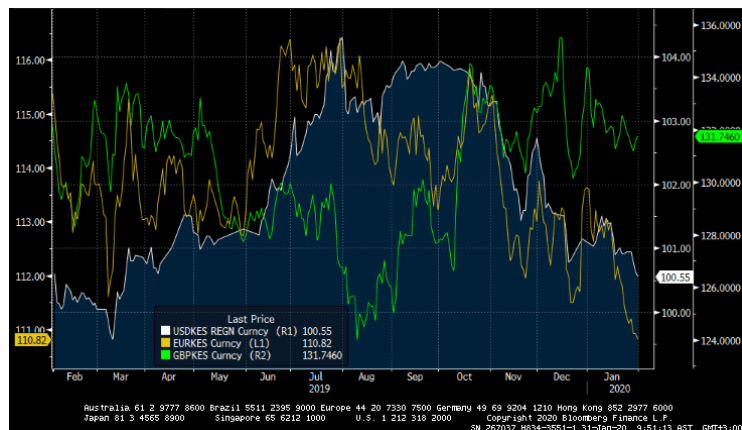
Dollar demand hit the FX counters through the day, amid limited inflows that caused the shilling to close the trading session on the back foot after failing to anchor itself against the dollar.

Devoid of any major market moving events, we expect the shilling to continue trading within these elevated levels.

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	4.10%	4.14 %	+4.00
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 U.S dollar edged higher on Powell's comments that the Fed is not considering using negative interest rates as a stimulative tool despite his grim comments on the economy. Focus turns to US Initial Jobless Claims data due later today.

The EURUSD pair was lower yesterday, amid risk-off action. Direction for the pair today will likely be driven by data from the U.S and final German Consumer Price Index for April.

The GBPUSD pair dropped for the fourth consecutive day on Wednesday on the back of downbeat UK data, Brexit and virus fears, in addition to broad dollar strength. The U.K. economy contracted 2% in the first quarter of 2020, the fastest decline in output since the fourth quarter of 2008, while GDP fell by 5.8% in March.

Earlier today in Tokyo, the USDJPY pair was unmoved at 106.80 levels.

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

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