

DOMESTIC NEWS

The shilling held its ground against the U.S. dollar on Tuesday, in what was a lacklustre trading session and marginal moves occasioned by a few trades.

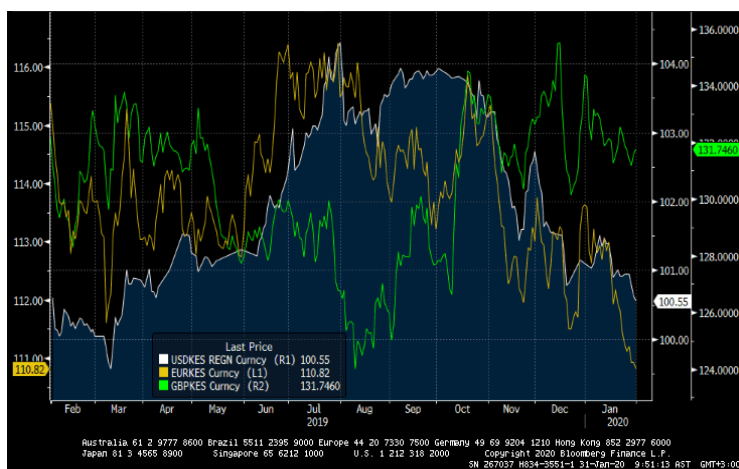
Dwindled corporate dollar demand was well matched by foreign currency inflows from various sectors of the economy leaving the USDKES currency pair unchanged from its previous close.

The local unit seems rather comfortable in the current ranges and is expected to hold within the same band through the day in the absence of any new market moving information.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.45	108.15
GBP/KES	124.35	133.38
EUR/KES	108.94	119.13
JPY/KES	0.92	1.07

Forward Rate(USD)(1 month)	
BUY	101.45
SELL	109.50
3 Months	
Buy	102.65
SELL	110.95

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.34%	4.30 %	-4.00
91-Day T-bill	7.253%	7.266%	+1.30
182-Day T-bill	8.151%	8.192%	+4.10
364-Day T-bill	9.161%	9.173%	+1.20
Inflation	5.78%	5.62%	-5.00



Source: Bloomberg

INTERNATIONAL NEWS

Tuesday's trading saw the greenback soften further as investors threw caution aside thanks to encouraging early-stage data for a potential coronavirus vaccine and the alluring budgetary proposal by both France and Germany.

The EURUSD currency pair sustained its upbeat momentum as it basked in the sanguinity surrounding the \$550 billion Franco-German proposal, which was presented to the European Commission for deliberation is widely expected to rekindle growth within the economic bloc if accepted by the other economies.

The common currency was also buoyed by reports that investor s' sentiment in Germany had improved far beyond expectation in the month of May owing to eased concerns over the impact of the coronavirus pandemic on Europe's largest economy.

The GBP/USD pair was marginally higher on account of broad market rallying against the safe-haven dollar. The British pound has been on a downward spiral lately, slumping to a seven-week low predominantly due to Brexit related risks and speculation about negative interest rates.

Renewed doubt on the efficacy coronavirus vaccine was not sufficient for the Japanese yen to stage a comeback against the buck in Tokyo's early trading, after drooping to a five month low yesterday on the back of increased investor confidence.

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