

### DOMESTIC NEWS

The USD/KES currency pair closed the day a touch higher, taking a stride towards the upper band of its recent trading range.

The home unit began the session with a mild negative bias on the back of a slight uptick in dollar appetite. However subdued activity on both the interbank and corporate counters typified a quiet trading session, allowing the pair to close within known ranges.

Yesterday's trading range will likely be preserved today as investors ponder on the likely impact that the \$ 1 Billion World Bank loan could have in cushioning the economy.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.60	108.35
GBP/KES	124.58	133.24
EUR/KES	109.22	120.68
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	4.30%	4.37 %	+7.00
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



### INTERNATIONAL NEWS

The U.S. dollar contracted for the third straight day with market participants shunning safe-haven buying as they bought into the idea of a global economic recovery that has been cratered by the coronavirus pandemic. What's more, minutes released for the U.S Federal Reserve's April meeting seemed to show some sense of optimism as policymakers agreed to use their tools "as appropriate" to support the economy and spurned discussions of negative interest rates.

The single currency continued its onslaught against the dollar, drawing support from the recently announced proposal for a common fund which might aid the Eurozone's quest for absolute fiscal union. The contrast the market currently faces is the current situation seems dreadful while there is lots of optimism about the future.

Cable was a tad higher despite being dragged lower by debates pertaining to negative interest rates, resurfaced by data showing April's inflation numeral fell below 1%, its lowest reading in nearly four years.

Printed data showing a slump in Japan's factory and output orders for the month of May, and improved investor confidence, was sufficient to buoy the USDJPY pair to the 107.60 levels during the early morning trading in Asia.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	3.00%	0.15%	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

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