

### DOMESTIC NEWS

The Kenya shilling was marginally weaker in yesterday's trading session after the greenback pushed further.

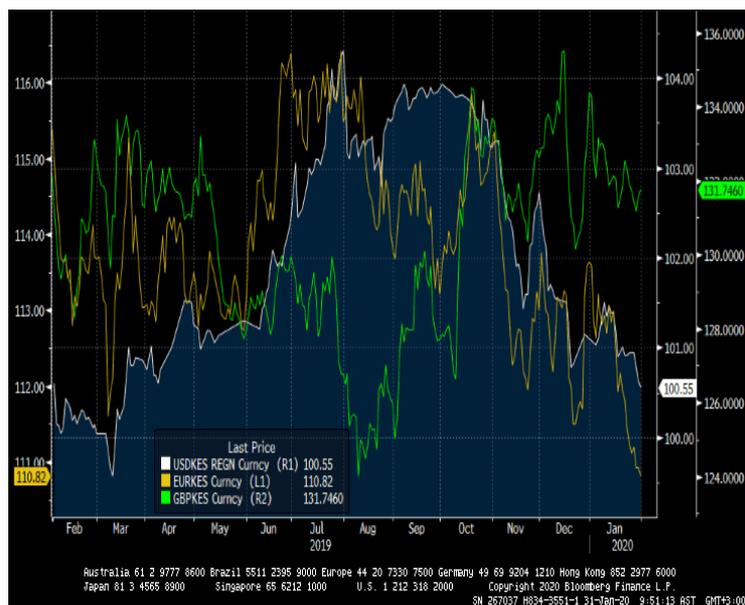
Market activity was slow to pick up as a number of major corporates remained on the sidelines. However, some dollar buying took place later in the session that saw the USDKES currency pair close five-cents higher from previous day's close.

In the absence of other mitigating factors, the recently established trough should hold as flows drive the pair's direction.

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	4.30%	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



Source: Bloomberg

### INTERNATIONAL NEWS

Souring U.S-Sino relations over a broad range of issues gave the U.S. dollar the much needed reprieve on Thursday, allowing it to stand tall once risk aversion was seen amongst investors. The issues include; China's treatment of the former British colony of Hong Kong, its global response to the coronavirus pandemic and Chinese companies' access to advanced technology. This, in itself, was sufficient to override poor data showing more Americans, in the millions, filed for unemployment benefits last week as further layoffs await fueled by disruptions from the novel coronavirus.

The euro's winning streak, alongside the buck, came to an end yesterday as it fell by 0.21% after investors began to assess the true bearing of the global economic lockdown.

Sterling was little changed against the dollar supported by IHS Markit's flash PMI data screening Britain's economy flattened out moderately in May compared to its plunge in April as a consequence of the coronavirus lockdown. May's reading for the services sector rose to 27.8 from 13.4 in April while the manufacturing sector PMI increased to 40.6 from 32.6.

The Japanese yen held steady against its American counterpart earlier today in Asia, as renewed diplomatic tensions between the U.S and China supported safe-haven demand.

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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