

### DOMESTIC NEWS

The shilling weakened against its U.S. counterpart on the first trading day of the week on the back of surging importer demand.

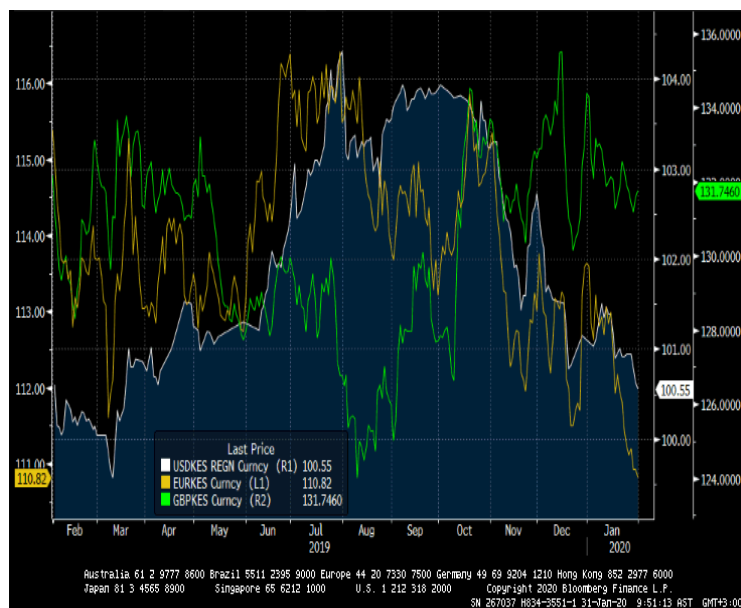
The shilling gave away some of its gains on account of increased dollar appetite from corporates and interbank players, which overwhelmed the erratic foreign currency inflows, leaving the home unit exposed on the downside.

Looking ahead, USDKES currency pair is forecast to trade within narrow ranges.

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	3.92%	3.66%	-26.00
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

The U.S. dollar struggled from a sell-off of safe-haven assets as investors became more optimistic about the global economy's recovery.

With more nations easing their lockdown restrictions, traders are hopeful that we could see a faster – than – expected rebound in the global economy. As a result, traders are seeking out riskier assets.

The euro suffered as risk on markets meant that investors had flocked to riskier assets. This followed the announcement that the US biotech firm, Novavax, had begun trials on human subjects for its experimental Covid-19 vaccination. More so, Germany's GfK consumer confidence survey for June, which improved slightly from -23.10 to -18.90, left many single currency traders feeling gloomy.

Pound rose by 0.5% against the dollar after UK markets reopen after a long weekend. It benefited from a rally in the global stock markets today as investors become more hopeful as Covid – 19 lockdown measures across the world continue to ease.

Earlier today in Asia, the dollar was up with U.S.-China tensions mounting over the latter's national security laws for Hong Kong and Macau.

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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