

DOMESTIC NEWS

Tuesday's trading saw the USD/KES pair drift higher on account of improved U.S dollar appetite.

The pair began its climb relatively early as interbank and corporate players took to mild dollar buying, fueling a slight hike in the spot price. With dwindling foreign currency inflows, the local unit ended the day on the back foot.

The market will likely preserve its current craze as market players begin to direct their attention to the KES 2.91 trillion 2020/21 budget reading, by the finance cabinet secretary tomorrow.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.50	108.50
GBP/KES	125.00	139.44
EUR/KES	109.22	125.54
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	2.99%	2.70 %	-29.00
91-Day T-bill	7.325%	7.333%	+0.80
182-Day T-bill	8.200%	8.248%	+4.80
364-Day T-bill	9.165%	9.198%	+3.30
Inflation	5.62%	5.47%	-15.00



Source: Bloomberg

INTERNATIONAL NEWS

The greenback suffered for the second-straight day against a majority of currencies after U.S equities sprawled, a day after there was an intense rally towards the purchase of Nasdaq shares. There was also a formidable selling of dollars by investors who speculate that the Federal Reserve may take steps to flatten the Treasury yield curve.

The euro recouped early trading losses on account of broad dollar selling notwithstanding the poor E.U GDP data. Seasonally adjusted GDP fell by 3.6% in the euro area, and by 3.2% within the E.U, during the first quarter of 2020 compared with the previous quarter according to an estimate published by Eurostat, the statistical office of the European Union. These were the steepest drops since the time series began in 1995.

Cable was also higher on Tuesday, driven predominantly by dollar moves. Apprehensions about the ongoing Brexit talks and discussions of continue to hamper the pound's growth even as global markets rally due to improved risk sentiment.

Despite taking a 0.6% fall yesterday, the USD/JPY currency pair treaded water in early Tokyo trading as the market awaits the Fed's deliberation after their two day assembly.

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	1.0720	1.1820
GBP	1.180	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

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