

DOMESTIC NEWS

The Kenya shilling traded within confined ranges against the U.S. dollar on Thursday as foreign currency flows evened out.

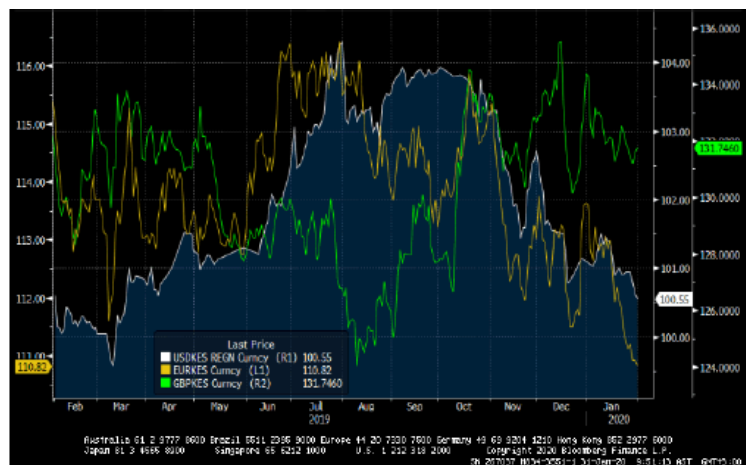
The domestic held steady in versus the greenback, on the back of matching flows on both the demand and supply counters. The USDKES currency pair ended the day little changed from previous close.

Ahead of the weekend, we expect the USDKES pair to trade within recent ranges albeit with a bullish bias as foreign currency inflows match the low demand for the greenback.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	99.40	109.45
GBP/KES	125.22	137.50
EUR/KES	110.90	124.40
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	101.65
SELL	109.85
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.45%	2.53%	+8.00
91-Day T-bill	7.259%	7.089%	-17.00
182-Day T-bill	8.060%	7.739%	-32.1
364-Day T-bill	9.030%	8.667%	-36.30
Inflation	5.62%	5.47%	-15.00



INTERNATIONAL NEWS

The U.S. dollar held on to its gains trading 0.38% higher against a basket of currencies, as the uncertainties due to the surge in coronavirus cases underpinned the demand for the world's reserve currency. Jobless claims for the week ended 12th June came in at 1.508 million higher than the expected 1.3 million, showing the road to economic recovery might be longer than previously anticipated

The euro traded 0.36% lower against the buck owing to broad strength of the latter. The market questioned the ability of the EU to pass its stimulus plan given the opposition from some countries in the union on giving grants weighing down the single currency.

Sterling traded at its lowest levels since the beginning of the month following BOE's announcement to increase the bond-buying program by £ 100 billion. The central bank however left the interest rate unchanged at 0.1%. UK Retail Sales are scheduled for release today; the market expects an increase to +5.7% compared to -18.1% in April.

The Japanese yen firmed up against the dollar in the Asian session. The global increase in coronavirus cases and geopolitical tensions on the Korean peninsula, in the Himalayas and between China and its trading partners fueled demand for the safe haven currency.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	3.00%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.25%	0.35%	0.00%
6 months	5.50%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1520
GBP	1.1800	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

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