

DOMESTIC NEWS

The Kenya extended its slide the US counterpart closing tad lower from Monday's level.

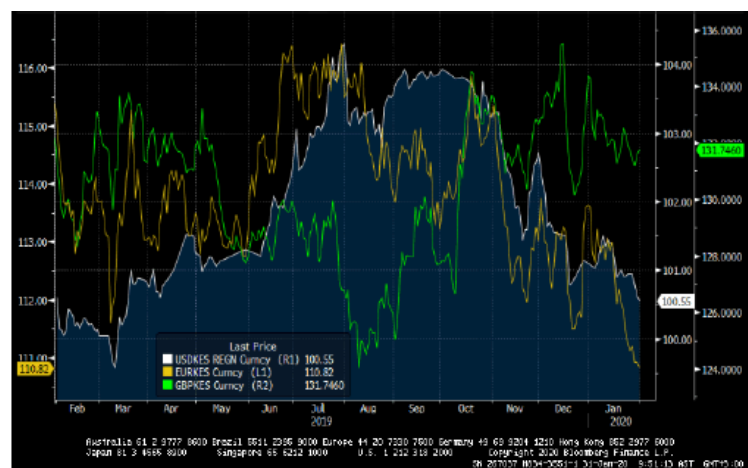
Foreign currency supply counters were sluggish while activity picked up on the demand side, tipping the scale against the home unit.

In today's trading session, we expect the USD/KES pair to remain range bound as the market settles in the new month.

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	3.26%	3.14%	-12.00
91-Day T-bill	7.089%	6.700%	-38.00
182-Day T-bill	7.739%	7.395%	-34.4
364-Day T-bill	8.667%	8.194%	-47.30
Inflation	5.62%	5.47%	-15.00


INTERNATIONAL NEWS

The dollar traded lower on Tuesday dropping 1.6% and 1.0% for the quarter and month respectively as the markets weighed on the possibility of further stimulus and the rising coronavirus cases. The Fed chair and the treasury secretary testified before the financial services committee with both indicating an inclination to further support the economy.

The euro dropped against the greenback as data on consumer price from the region affirmed that the bloc was a long way from attaining the 2% inflation target. YoY inflation for the month of June rose to 0.3% from 0.1% previously however core inflation excluding volatile energy and food prices fell to 0.8%.

The sterling tumbled against the dollar in the morning session after data showed that the British economy shrank by 2.2% in the first quarter. The government intends to rollout a \$ 6.13 billion infrastructure program to help fast-track the economy. The pair however reversed losses in the New York session gaining 0.2% as the dollar traded lower.

The safe-haven Japanese yen posted losses against the buck in the Asian market on the back of optimism from economic data in the US. The market expects US manufacturing activity and labor data, due today and tomorrow respectively, to show improvement in the economy.

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

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication