

DOMESTIC NEWS

The Kenya shilling was a tad stronger against the U.S. currency in Monday's session but the movement was constrained within familiar ranges.

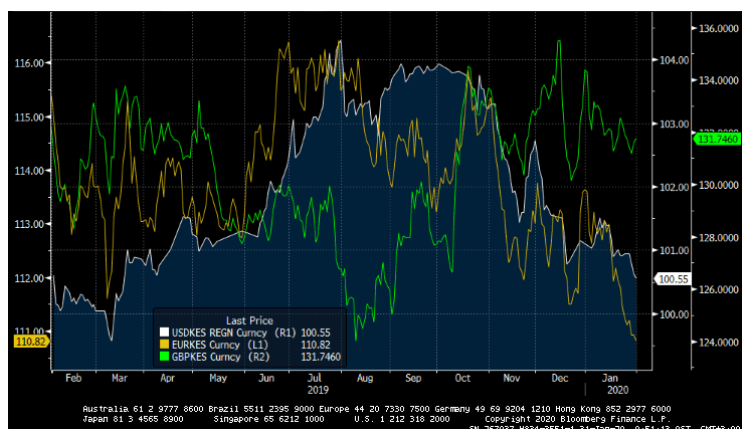
The home unit staged a minor recovery during early hours of the session, before flows on both the demand and supply counters evened out leaving the USD/KES pair to close the day slightly stronger.

The local unit is likely to continue trading within a narrow range, though slight pressure may be seen from an uptick in market activity on the foreign currency demand counters as we approach month end.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.70	110.75
GBP/KES	130.38	142.02
EUR/KES	116.88	130.96
JPY/KES	93.42	110.73

Forward Rate(USD)(1 month)	
BUY	101.70
SELL	109.85
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.16%	2.21%	-5.00
91-Day T-bill	6.27%	6.112%	-27.20
182-Day T-bill	6.75%	6.44%	-28.90
364-Day T-bill	7.70%	7.37%	-6.90
Inflation	5.33%	4.59%	-74.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar continued to nurse losses on Monday, slumping to a two-year low, as investors worried about the damage from the coronavirus to the U.S. economy and await the latest outlook from the Federal Reserve and the passage of a new fiscal rescue package. While the moves were modest, they kept pressure on the greenback ahead of the two-day Federal Reserve meeting that gets underway on Tuesday as speculation mounts about a possible shift in policy emphasis - even if no policy change is expected.

The pound surged to a nearly five-month high against the dollar on Monday on broad based dollar weakness. The U.K and EU wrapped up their latest round of negotiations in London last Thursday but failed to find a solution on key sticking points including access of EU vessels to fish in British waters that have so far stifled progress.

The euro rose for a sixth day in a row, and has gained nearly 500 pips against the dollar since July 10th. The shared currency's rise has been unstoppable since European leaders struck a deal for a common debt pool to fund recovery spending in the worst hit-countries.

Earlier in Asia, the USD/JPY pair dropped down 0.15%, as traders kicked off the day with the familiar bearish mood which propped the JPY being a 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

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