

DOMESTIC NEWS

The shilling lost ground against the US dollar on Wednesday to close 5 cents lower than the previous day.

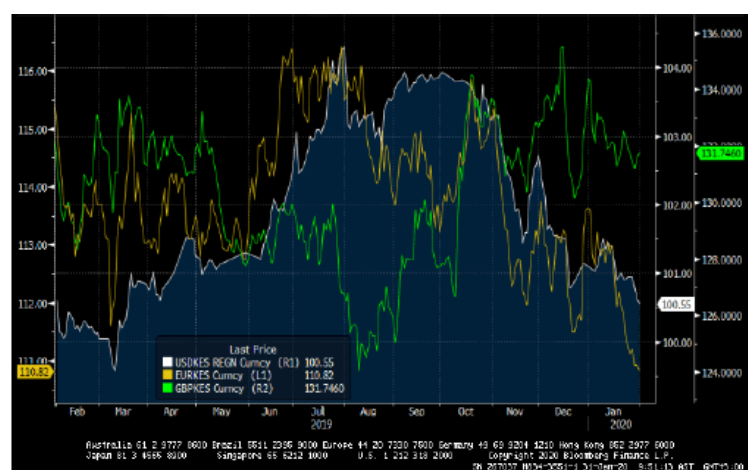
Demand for greenback from various sectors ruled counters throughout the day, while inflows remained subdued, pushing the USDKES pair to higher.

The local currency is likely to trade lower against the green buck in today's session owing to thin market liquidity and slow build up in dollar demand.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	100.60	110.65
GBP/KES	131.66	143.44
EUR/KES	117.40	131.58
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	100.70
SELL	111.35
3 Months	
Buy	101.20
SELL	112.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.01%	2.42%	-29.00
91-Day T-bill	6.112%	6.121%	+0.90
182-Day T-bill	6.440%	6.455%	+1.50
364-Day T-bill	7.370%	7.391%	+2.10
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

INTERNATIONAL NEWS

Risk on sentiment fuelled by improved corporate earnings and the hope of more stimulus measures in the US sent the king dollar tumbling against its peers. The dollar index was down by 0.334%, extending its losses for the second consecutive day. Data on July private payrolls which came in at 167,000, compared to 4.3 million reported in June, aggravated dollar weakness, as the slow growth indicates sluggish recovery in the US labor market.

The Euro traded higher against the dollar on Wednesday, currently trading at two and a half year highs. Eurozone business activity was up in June with retail sales rising by 5.7% MoM. Data for the month of May was also revised upwards to 20.3% from 17.8%.

Sterling was up 0.6% on the back of broad dollar weakness. BOE meeting is scheduled for today with the market expecting the bank to maintain its rate at 0.1% and the bond-buying program at £ 745 billion.

The Japanese yen traded within a narrow range as equities dropped in the Asian market. Jibun Bank Services PMI, which captures business conditions in the services sector, came in at 45.4 in July from 45.0 in June.

Indicative Deposit Rates				
	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	EURO	
Call	2.75%	0.25%	0.00%	
1 month	4.70%	0.25%	0.00%	
3 months	5.00%	0.35%	0.00%	
6 months	5.25%	0.50%	0.00%	

Indicative Cross Rates		
	Buy	Sell
EUR	1.1020	1.2320
GBP	1.2200	1.3670
JPY	99.65	114.50
CHF	0.8950	1.0650

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