

DOMESTIC NEWS

The Kenya shilling continued on a bearish trend against the dollar on Thursday amid limited market activity.

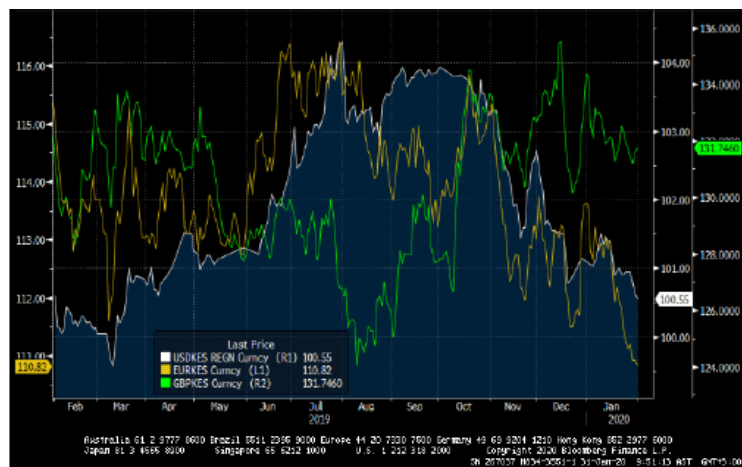
The home unit buckled against the US currency as buyers ruled the local currency scene. Reduced foreign currency inflows are limiting any gains for the local unit as dollar demand continues to exceed supply.

Ahead of the weekend, the USDKES pair is likely to continue trading higher as activity in the currency market tilts towards the demand counter amid paltry dollar inflows.

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	2.42%	2.33%	-9.00
91-Day T-bill	6.121%	6.123%	+0.20
182-Day T-bill	6.455%	6.549%	+9.40
364-Day T-bill	7.391%	7.455%	+6.40
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

INTERNATIONAL NEWS

Trading was sporadic for the green buck on Thursday as it dropped to a two-year low in the earlier session but edged 0.1% higher at market close. Data on jobless claims was mixed with the number of people filing for unemployment benefits falling by 249,000 in the week ended 1st August to 1.186 million. The total number of people receiving unemployment benefits was however up by 492,816 to 31.3 million in mid-July. July's jobs report is due today, the market expects 1.6 million new jobs and a drop in unemployment rate to 10.50%.

The euro was up 0.1% touching fresh multi-month highs owing to dollar weakness. With scarce data from the Eurozone today, the US jobs reports will influence the direction of the currency pair.

The British Pound hit a five-month high, rising 0.5% intraday, after the Bank of England exuded optimism in its policy meeting yesterday. The Bank maintained its interest rate at 0.1% but reduced its bond buying to £ 4.419 Billion from £ 6.9 Billion.

The safe-haven Japanese yen traded near its 4-month high against the dollar in the Asian market as investors exercised caution ahead of the US jobs report.

Indicative Deposit Rates			
	Amounts > KES 20 million		Amounts > 100,000
	KES		USD
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

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