

DOMESTIC NEWS

Fridays session marked another day of trading dominated by the recent theme of matching flows as the local currency oscillated within a tight range against the dollar.

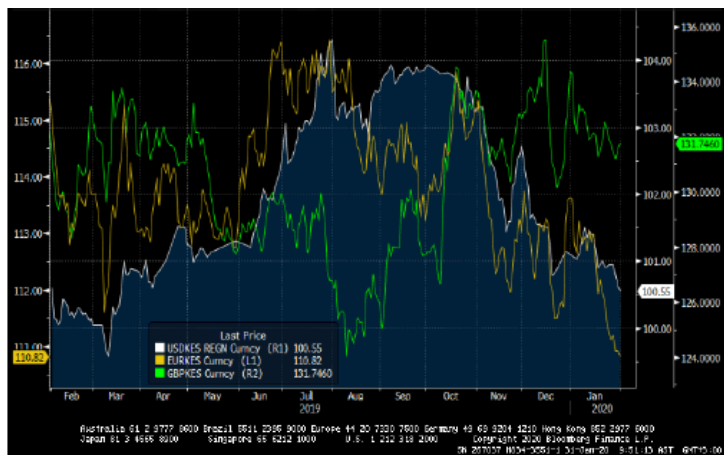
End-month dollar demand from corporates and interbank players was matched by foreign currency sellers which saw the USD/KES pair close the day unchanged.

Ahead of the week, we expect the domestic unit to trade within confined ranges albeit with a slightly bearish bias as the current foreign currency demand continues to weigh in.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.80	111.20
GBP/KES	135.50	147.00
EUR/KES	120.50	132.80
JPY/KES	96.00	110.00

Forward Rate(USD)(1 month)	
BUY	102.00
SELL	111.60
3 Months	
Buy	102.50
SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.01%	3.05%	+4.00
91-Day T-bill	6.200%	6.257%	+5.70
182-Day T-bill	6.561%	6.600%	+3.90
364-Day T-bill	7.517%	7.508%	-0.90
Inflation	4.59%	4.36%	-23.00



INTERNATIONAL NEWS

The dollar weakened on Friday, giving back early gains after Federal Reserve Chairman Jerome Powell outlined a new strategy to lift employment with an increased tolerance for higher inflation. Powell's comments prompted U.S. Treasury yields to rise to their highest levels in several months, helping the dollar. However, this support didn't last long as traders factored in higher inflation going forward and the impact this would have on real yields.

The EUR/USD pair rose to its highest level in more than a week on Friday but edged slightly lower in the early American session. Nevertheless, the pair continued to cling to strong gains to register its highest weekly close since May 2018.

The GBP/USD pair shot to fresh YTD highs during the Fridays session, with bulls awaiting a sustained move to new psychological levels. Following the previous day's rather volatile price swings, the pair caught some fresh bids on the last trading day of the week and was supported by the bearish sentiment surrounding the US dollar.

Earlier in Asia, USD/JPY was up 0.25%. The pair recently picked bids as market sentiment turned positive amid coronavirus (COVID-19) vaccine hopes.

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	1.1240	1.2640
GBP	1.2520	1.3950
JPY	99.65	114.50
CHF	0.8320	0.9730

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