

DOMESTIC NEWS

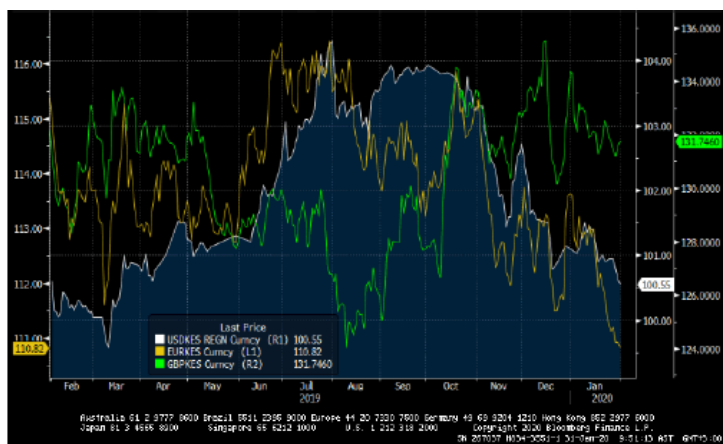
The home unit closed the day marginally weaker against the U.S dollar as foreign currency demand outmuscled supply.

Sturdy foreign currency inflows from various sectors of the economy was picked through quickly by the persistent demand, propelling the USD/KES currency pair to move five-cents higher from the previous day's close.

We expect the current trading levels to prevail, as players continue to watch out for any change in fundamentals that might provide the local currency with some impulse, given its recent slide.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	101.90	111.35	102.00	111.60
GBP/KES	135.10	145.00		
EUR/KES	120.20	132.75		
JPY/KES	96.00	110.00		
			3 Months	
			Buy	102.50
			SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.76%	2.67%	-9.00
91-Day T-bill	6.273%	6.295%	+2.20
182-Day T-bill	6.625%	6.627%	+0.20
364-Day T-bill	7.507%	7.554%	+4.70
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

INTERNATIONAL NEWS

The safe-haven dollar advanced to a one-month high against its peers yesterday, thanks to a rally towards risk-averse assets after an upsetting sell-off on Wall Street. The buck also received further support from brewing tensions between Beijing and Washington and renewed apprehensions over the Brexit talks.

The EUR/USD pair softened to its lowest this month ahead of the ECB post-summer meeting on Thursday, which markets expect would shed light on the value of the current exchange rate and inflation control measures. Further pressure for single currency emanated from weak second quarter GDP data, which saw the bloc record its sharpest drop in consumer spending.

The British pound succumbed to further pressure owing to the seemingly never-ending Brexit process worries. The two factions began a fresh round of trade talks on Tuesday, with the U.K claiming it was prepared for a no-deal outcome, even as reports emerged that the head of Britain's legal department had resigned over Boris Johnson's proposal to flout parts of the existing Brexit divorce treaty.

The USD/JPY currency pair drooped to a one-week low in early morning trading, as volatility in the equity markets set the tone for safe-haven buying.

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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