

DOMESTIC NEWS

Market activity in the local scene favored the greenback as it extended its gains against the home currency.

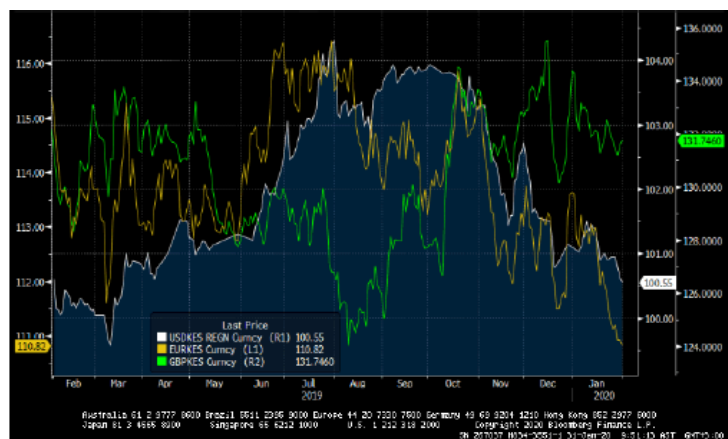
The Kenya shilling has been under pressure as dollar demand from various sectors amidst muted foreign currency supply pushed the USDKES pair to close slightly stronger from the day's opening levels. The regulator stayed of Open Market Operations citing balanced liquidity.

Market chatter points to further losses for the shilling ahead of the weekend owing to limited inflows.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.95	111.40
GBP/KES	135.45	146.50
EUR/KES	120.60	132.95
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	2.55%	2.76%	+21.00
91-Day T-bill	6.295%	6.267%	- 2.80
182-Day T-bill	6.627%	6.689%	+6.20
364-Day T-bill	7.554%	7.564%	+1.00
Inflation	4.59%	4.36%	-23.00



INTERNATIONAL NEWS

The US dollar fell 0.1% against its counterparts following data indicating stalled recovery of the labor market. Weekly jobless claims for the week ended 5th September stood at 884,000 little changed from the previous week, while continuing jobless claims increased to 13.385 million. Core producer price index was however rose by 0.3% in August led by the service industry.

The Euro advanced against a weaker dollar on Thursday rising to a one-week high following an upbeat view from Christine Lagarde, ECB Chair, at yesterday's policy briefing. The ECB upgraded its 2020 growth forecast due to rise in business and consumer activity as well as indication of higher inflation. The bank upheld its policy rate at 0% and maintained a benign view on the single currency's strength, which has gained 8% this year, quelling hopes of additional stimulus.

The Sterling has been on a downward trajectory this month fueled by fear of UK-EU trade negotiations falling apart. It fell 1.1% on Thursday to its lowest level in one month while implied volatility for the currency rose to 13%, its highest since March 26.

The Japanese yen held steady in the Asian Market even as Asian stock market opened lower. The Liberal Democratic Party (LDP) will hold its election on Monday, 14th to elect Shinzo Abe's successor following his resignation as Prime Minister last month.

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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