

## DOMESTIC NEWS

Mondays 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.

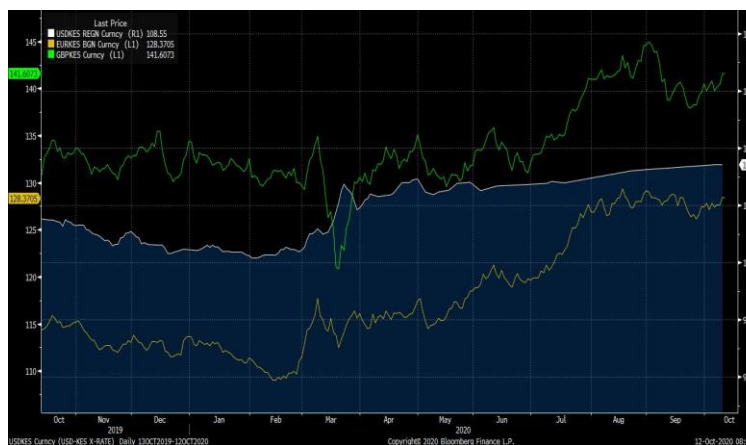
The session saw little movement in the USDKES currency pair as a result of marginal but matching flows on both the demand and supply counters.

Looking ahead, we expect the local unit to trade within confined ranges albeit with a slightly bearish bias as end month foreign currency demand continues to weigh in.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	103.80	112.95
GBP/KES	136.88	148.36
EUR/KES	121.65	133.78
JPY/KES	98.62	112.73

Forward Rate(USD)(1 month)	
BUY	104.20
SELL	114.60
3 Months	
Buy	104.75
SELL	115.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.90%	2.85%	-5.00
91-Day T-bill	6.400%	6.468%	+6.80
182-Day T-bill	6.839%	6.853%	+1.40
364-Day T-bill	7.744%	7.762%	+1.80
Inflation	4.36%	4.20%	-16.00



## INTERNATIONAL NEWS

The US Dollar advanced broadly on Monday. Souring risk appetite largely explains the bid beneath top safe-haven currencies and latest boost to USD price action. It appears that market sentiment is deteriorating primarily on the back of mounting COVID-19 cases globally and fading optimism for a fiscal stimulus deal.

The EUR/USD pair declined 0.4% on Monday, with investors startled by the impact of the second coronavirus wave in Europe. France has acknowledged that the pandemic is "out of control" after hitting more than 52,000 new cases. The ECBs meeting this week will likely be important in determining the Euro's direction over the next month or so.

The pound held steady against the dollar on Monday, shrugging off renewed demand for the safe-haven greenback on expectations the U.K. and EU will eventually reach a Brexit deal after both sides agreed to push out the deadline to reach a consensus.

Earlier in Asia, the USD/JPY dropped back into the red zone, taking cues from a broad retreat in the US dollar. The pair failed to close above the critical barrier of 104.95 on Monday.

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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