



06th January 2021

DOMESTIC NEWS

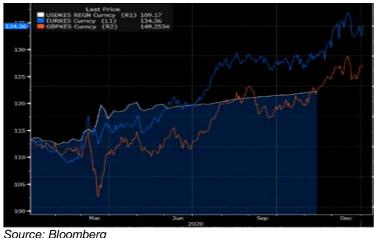
The local currency's slide against its American counterpart continued on Tuesday, strapped down by resurgent dollar appetite.

The local currency's attempt to hold its standing in early trading was pulped later in the day as dollar buyers poured in to take advantage of the relatively lower USD/KES rates.

In today's trading, expectations are for the USDKES pair to remain bound within the current range; with a slight bullish tinge should the recently witnessed demand persist.

| Amounts | Today's | | Forward Ra | te(USD)(1 month) |
|-----------|---------|---------|------------|------------------|
| "100,000" | Opening | | BUY | 105.65 |
| | B∪y TT | Sell TT | SELL | 115.65 |
| USD/KES | 104.10 | 112.65 | | |
| GBP/KES | 142.90 | 155.40 | 3 Months | |
| EUR/KES | 125.70 | 139.05 | Βυγ | 106.05 |
| JPY/KES | 98.65 | 111.65 | SELL | 117.00 |

| Money Market Rates | Previous | Current | Change bps |
|-----------------------|----------|---------|---------------|
| Interbank Rate | 6.37% | 6.26% | -11.00 |
| 91-Day T-bill | 6.929% | 6.906% | -2.30 |
| 182-Day T-bill | 7.403% | 7.400% | -0.300 |
| 364-Day T-bill | 8.338% | 8.348% | +1.00 |
| Inflation | 5.30% | 5.60% | +0.30 |



Source: Bloomberg

INTERNATIONAL NEWS

The greenback traded on the back foot against a basket of currencies after the Central Bank of China made an upward adjustment of its yuan's midpoint. The increase to 6.4760 per U.S dollar was the highest since 2005, triggered markets towards dollar selling and improved the outlook of riskier assets. A further sag for the buck emanated from the rebound of U.S stocks despite the Georgia runoffs still being a key focus.

The euro appreciated against the dollar drawing support from broad dollar sell off and solid winter data. German retail sales data jumped to 2 percent month-on month against an expectation of -2 percent. German unemployment data also dropped to -37,000 rather than rising as expected.

The GBP/USD pair edged marginally higher, up 0.45 percent. The surge in infections of a fastspreading new coronavirus variant in the UK caused the government to call up a third national lockdown in an effort to curb the spread, which deflated any lingering bullishness around the British currency.

The USD/JPY currency pair traded flat in early Asian markets, after briefly falling to a 10-month low on Tuesday.

| 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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