

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 "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.10	112.65	105.65	115.65
GBP/KES	142.90	155.40		
EUR/KES	125.70	139.05		
JPY/KES	98.65	111.65		
			3 Months	
			Buy	106.05
			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 fast-spreading 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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