

## DOMESTIC NEWS

The upbeat momentum of the USD/KES pair remained sound yesterday, dragging the local unit slightly lower.

Steady demand for the buck pushed the pair higher, as importers who had remained on the sidelines for the last few sessions, stepped up to the plate forcing the home unit to close marginally weaker.

It is expected that the currency pair will continue trading with a slightly offensive tone, barring any intervention or change in fundamentals.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.25	112.75	105.65	115.65
GBP/KES	142.85	155.42		
EUR/KES	126.12	139.50		
JPY/KES	98.45	111.60		
			3 Months	
			Buy	106.05
			SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.26%	6.12%	-14.00
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 dollar was a touch lower, having bounced back from an almost three-year low as it found support from rising interest rates and a weak labor market report, which showed private payrolls print their first drop in eight months due to the rising cases of COVID-19. The buck's plunge was attributed to the expected Democrat-win in the U.S Senate election, in Georgia, that would clear the path for a larger fiscal stimulus package. Analysts forecast that an increase in the fiscal stimulus would likely fuel global economic growth and favour riskier assets, acting against bonds and the greenback as the U.S budget and trade deficits are likely to grow.

The euro garnered only a 0.11 percent increase by close of yesterday's trading despite breaching key resistance levels during intra-day trading. The upward move had been instigated by a range of surveys showing that manufacturing globally had proven resilient in the month December regardless of the rising number of corona virus cases.

Cable fell on Wednesday on account of broad dollar buying but was still close to a May 2018 high, which it tested on Monday.

Early trading in Tokyo saw the Japanese yen edge one-percent higher against the U.S dollar after Democrats won control of the U.S Senate.

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	1.2940
GBP	1.2720	1.4350
JPY	99.65	114.50
CHF	0.8320	0.9330

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