

### DOMESTIC NEWS

The home currency was exposed to further downside on Thursday, on the back of unabated dollar appetite from corporate and interbank players.

The shilling held firm in early trading as activity on both demand and supply counters remained well matched. This changed later in the day after dollar buying momentum marginally improved, overwhelming foreign currency sellers and sending the domestic currency licking its wounds.

Heading in to the weekend, we expect the local currency to remain trapped within the current range, with the direction of the USD/KES pair remaining mostly flow driven.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.35	112.80	105.65	115.65
GBP/KES	142.35	154.20		
EUR/KES	126.10	139.20		
JPY/KES	98.25	111.35		
			3 Months	
			Buy	106.05
			SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.12%	6.08%	-4.00
91-Day T-bill	6.906%	6.895%	-1.10
182-Day T-bill	7.400%	7.479%	+7.90
364-Day T-bill	8.348%	8.363%	+1.50
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

### INTERNATIONAL NEWS

The greenback bounced back yesterday, trading higher against all major currencies, as month of U.S political uncertainty finally settled. Investors took bets that the U.S economy would rebound in the coming months as Joe Biden received certification as the winner of the 2020 U.S Presidential elections and a statement from President Trump said there would be an orderly transition on Jan 20. Concurrently, the control of Congress has been resolved with the Democratic victories in Georgia.

The EUR/USD pair was down 0.43 percent as traders rushed to take profits from recent rise in the euro. Broad dollar buying also brought further pressure for the single currency.

Sterling held below a 2-1/2 year high on Thursday as reports emerged that the Bank of England could bring in sub-zero benchmark interest rates earlier than expected to counter the economic hit from a third coronavirus national lockdown.

In early Asian trading, the USD/ JPY currency pair traded flat, having gained 0.7 percent on Thursday owing to broad dollar buying.

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

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication