

DOMESTIC NEWS

The local FX market ended the week on a nonchalant note, as activity across the counters evened out, leaving the domestic unit unchanged against the greenback.

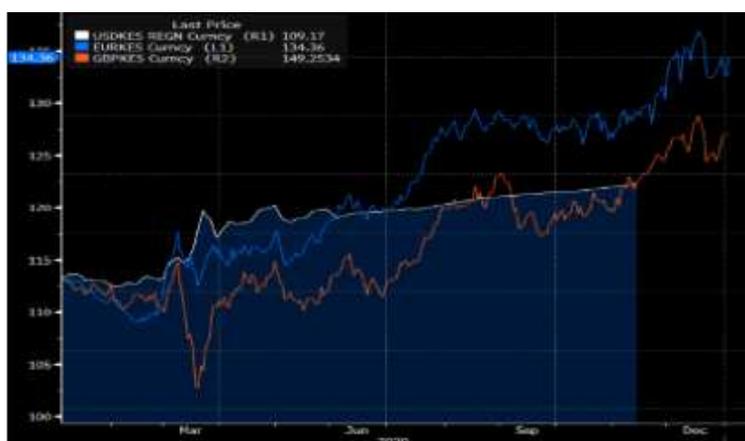
The market remained relatively calm throughout the day, as dollar inflows were at an equilibrium with demand leaving the shilling little changed from previous close.

Ahead of the week, we see the shilling trading on the defensive as burgeoning dollar demand continues to manifest itself.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	104.35	112.80
GBP/KES	142.35	154.20
EUR/KES	126.10	139.20
JPY/KES	98.25	111.35

Forward Rate(USD)(1 month)	
BUY	105.65
SELL	115.65
3 Months	
Buy	106.05
SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.09%	6.03%	-6.00
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 dollar moved higher against a basket of major currencies on Friday after dismal December U.S. payrolls raised expectations for further stimulus measures to prop up an economy battered by the coronavirus and its related government lockdown measures. US 10-year yields also rose to 1.11% further supporting the dollar. President-elect Joe Biden called for immediate further fiscal support, including increased direct payments of \$2,000. The dollar gains were however modest, with major pairs holding within familiar levels.

The EUR/USD pair ended the week well below the 33-month high it hit on Wednesday as short-dollar trades came in for profit-taking, prompted initially by sharply higher Treasury yields.

GBP/USD traded on the back foot amid Britain's new lockdown and a mixed reaction to US politics. The vaccine rollout and covid statistics stand out in the upcoming week, which may get shots in the arm for sterling to the upside.

Earlier in Asia, the USD/ JPY pair traded at the highest level since mid-December having bottomed on January 4th.

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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