

DOMESTIC NEWS

There was little to write home about as activity across the counters in Monday's trading session remained lethargic in the domestic currency market.

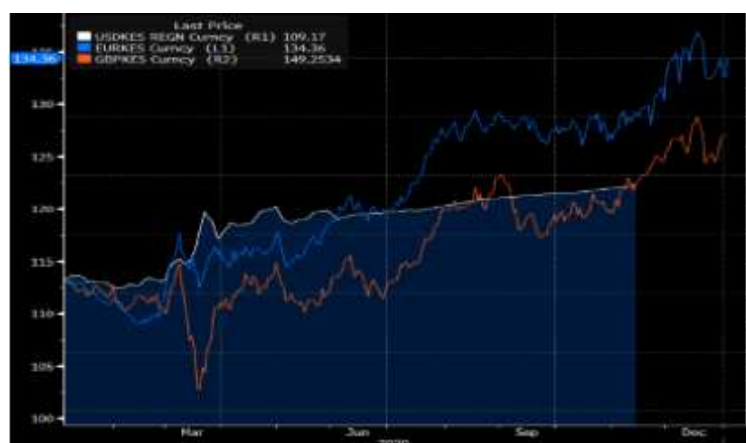
Muted activity from both corporate and interbank players saw the local unit trading flat against the buck throughout the session which saw no change to the USD/KES pair from Friday's close.

We see the local unit trading within current levels in the interim, barring any fresh factors coming into play.

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	6.03%	5.53%	-50.00
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 edged higher across the board on Monday, extending a rebound from the near 3-year low hit last week, taking strength from the recent spike in Treasury yields and the prospect of a growth boost from higher U.S. fiscal stimulus. U.S. President-elect Joe Biden, who takes office on Jan. 20 with Democrats able to control both houses of Congress, has promised "trillions" in extra pandemic-relief spending. The U.S. dollar index was up by 0.4%, marking its fourth straight session of gains.

EUR/USD fell for the third straight trading day on Monday, confirming its longest daily losing trend since the end of October. Recent losses could force euro longs to re-evaluate their views as rates, options and technicals highlight the risk of a deepening slide but support at 1.2000 levels is likely to hold in the near term.

GBP/USD traded lower on Monday, with the pair closing the session with losses of around 0.3% largely on broad based dollar strength and old-fashioned profit-taking after a six-month rally of more than 7%.

Earlier in Asia, the USD/ JPY pair picked up bids for the fifth consecutive day following US dollar strength and recent mild gains of S&P 500 Futures which favored the bulls.

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	2.75%	0.25%	0.25%	0.00%
1 month	4.70%	0.25%	0.25%	0.00%
3 months	5.00%	0.35%	0.35%	0.00%
6 months	5.25%	0.50%	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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