

DOMESTIC NEWS

The local currency was a tad weaker yesterday as demand for the greenback continued to mount.

Insufficient inflows from various sectors of the economy weighed on the local currency as demand for the greenback continued to persist through the day leading the USDKES pair to close the day five cents higher from previous close.

We expect the shilling to continue trading with a mildly bearish bias as flows are likely guide the direction.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.90	112.65	105.65	115.65
GBP/KES	144.55	154.65		
EUR/KES	125.25	136.75		
JPY/KES	102.45	111.75		
			3 Months	
			Buy	106.05
			SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.55%	5.62%	+7.00
91-Day T-bill	6.884%	6.983%	+9.90
182-Day T-bill	7.522%	7.508%	-1.40
364-Day T-bill	8.445%	8.508%	+6.30
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

INTERNATIONAL NEWS

The dollar rose on Wednesday as investors turned more cautious on riskier assets amid growing worries about the economic impact of the COVID-19 pandemic. A stock market rout due to concerns about excessive valuations also boosted safe-harbour demand for the U.S. currency. The U.S. Federal Reserve kept monetary policy unchanged as expected on Wednesday but did signal some concern about the pace of economic recovery.

The euro was lower after the German government on Wednesday slashed its growth forecast for Europe's largest economy to 3% this year, a sharp revision from last autumn's estimate of 4.4%, caused by a second coronavirus lockdown.

Sterling saw a muted reaction on the release of the latest FOMC monetary policy decision, the bank held its policy settings steady as expected.

Earlier today in Asia, the dollar extended its gains against the yen as a stock market rout due to concerns about excessive valuations boosted safe-harbour demand for the U.S. currency.

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	1.1210	1.2800
GBP	1.2690	1.4480
JPY	99.50	114.35
CHF	0.8350	0.9340

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