

### DOMESTIC NEWS

The local currency halted five consecutive days of quiet, advancing marginally against the dollar in yesterday's trading session.

The session was largely devoid of any major action for the better part of the day. Later in the day, demand side pressures eased, that saw the USDKES currency pair close 15 cent's lower from Monday's close.

Looking ahead, we see the local unit oscillating within the current range with a bullish tinge as a slowdown in activity prevails across the local FX counters.

| Amounts<br>"100,000" | Today's<br>Opening |         |
|----------------------|--------------------|---------|
|                      | Buy TT             | Sell TT |
| USD/KES              | 104.90             | 112.65  |
| GBP/KES              | 144.55             | 154.65  |
| EUR/KES              | 125.25             | 136.75  |
| JPY/KES              | 102.45             | 111.75  |

  

| 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     | 5.79%    | 5.72%   | +7.00      |
| 91-Day T-bill      | 6.983%   | 6.897%  | -8.60      |
| 182-Day T-bill     | 7.508%   | 7.578%  | +7.00      |
| 364-Day T-bill     | 8.508%   | 8.623%  | +11.50     |
| Inflation          | 5.30%    | 5.60%   | +0.30      |



Source: Bloomberg

### INTERNATIONAL NEWS

The American dollar strengthened further, surging to fresh 2021 highs yesterday, the lift likely sustained by progressing US stimulus talks and higher US yields. Focus shifts to ADP Employment Change and ISM Non-Manufacturing Index data from the U.S in addition to a string of second tier data.

The EUR/USD extended the sour mood into Tuesday's session and tumbled to new 2021 lows on broad dollar strength as well as uncertainty surrounding Italian politics. On the data front, advanced GDP figures in the Eurozone showed the region is projected to contract by 0.7% during the October-December period and by 5.1% annually, both prints coming in a tad above estimates. Market awaits Consumer Price Index data from the Eurozone.

The GBP/USD pair dropped further on the back of a stronger US dollar across the board. Attention in the UK turns toward the Bank of England meeting on Thursday, which market expects for the rates to remain steady but will take note of any indication towards negative interest rates.

Earlier today in Tokyo, the USDJPY pair traded flat at 105.00 levels.

| 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 |

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