

DOMESTIC NEWS

The home unit strengthened further against the buck in mid-week trading.

Markets witnessed a slight uptick in dollar supply in early trading, pushing the USDKES pair to break below a key psychological level and flirt with two-week highs. However, as the session progressed, the shilling gave up some of the gains on profit taking and buyers seeking to take advantage of the relatively fair pricing.

In the new day, it remains to be seen whether the local currency will hold on to its freshly acquired gains and new trading ranges set.

Amounts "100,000"	Today's 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	5.53%	5.29%	-24.00
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 U.S dollar retained most of its weekly gains against its peers, still backed by hopes of a new US stimulus package. Democrat senators pushed forward with a coronavirus-aid package, aiming to pass legislation without Republicans support. On the data front, the ISM Services PMI jumped to 58.7 in January, beating market expectation. Additionally, the Automatic Data Processing (ADP) Research Institute reported that the private sector employment in the US increased by 174,000.

The EUR/USD posted modest daily losses on Wednesday on broad based dollar strength. Earlier in the day, the data from the Eurozone showed that the Core Consumer Price Index in January jumped to 1.4% from 0.2% and came in higher than the market expectation of 0.9%. However, this report had no impact on the shared currency's performance.

The GBP/USD pair slipped marginally on Wednesday, amid a further pickup in the US dollar. Sterling remains underpinned by the UK's stellar vaccination programme that saw the number of people to receive the first jab surpass the 10M mark. Meanwhile, new infections continue to gradually fall. Looking ahead, focus today will be on the release of the latest Bank of England Monetary Policy decision.

Earlier today in Tokyo, the USDJPY pair traded at 105.15 levels amid a dearth of data or market moving news.

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	1.1210	1.2800
GBP	1.2690	1.4480
JPY	99.50	114.35
CHF	0.8350	0.9340

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