

## DOMESTIC NEWS

The Kenya shilling edged lower against the greenback on the back of increased foreign currency demand.

It was a session characterized by subdued market activity for the better part of early morning trading heralding a wave of increased foreign currency demand from various sectors of the economy in the afternoon. This saw the USDKES pair close the day 5 cents higher.

We expect the Kenya shilling to continue its bearish run due to expected month-end demand albeit within current ranges.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	105.65	111.65	105.95	112.85
GBP/KES	145.25	154.45		
EUR/KES	124.85	136.05		
JPY/KES	101.55	108.20		
			3 Months	
			Buy	106.75
			SELL	114.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.11%	4.27%	+16.00
91-Day T-bill	6.905%	6.911%	+0.60
182-Day T-bill	7.644%	7.684%	+4.00
364-Day T-bill	8.824%	8.931%	+10.7
Inflation	5.62%	5.69%	+7.00



## INTERNATIONAL NEWS

The greenback struggled on Wednesday morning as dovish testimony from Fed Chair Jerome Powell bolstered concerns about rising inflation, hitting multi-year lows against the commodity-linked currencies. Fed Chair Powell reiterated on Wednesday that the central bank would not adjust policy until the economy is clearly improving, and will look through any near-term spike in inflation.

The Euro traded near the top of its recent range amidst Dovish Fed commentary, which has helped boost risk appetite as such weighing on the safe-haven dollar to help the pair recover.

Sterling extended its rally against the dollar as analysts retained their bullish views on the currency. The pound is the best-performing G10 currency this year, up nearly 4% against the dollar and 3.2% against the euro as investors bet Britain's rapid COVID-19 vaccine rollout will lead to a quicker economic rebound.

In Asia, the USD/JPY pair retreats modestly after reaching a one-week high with the improvement in risk sentiment weighing on the Japanese yen.

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	1.1290	1.2690
GBP	1.3150	1.4650
JPY	100.60	112.60
CHF	0.8160	0.9560

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