



25th February 2021

DOMESTIC NEWS

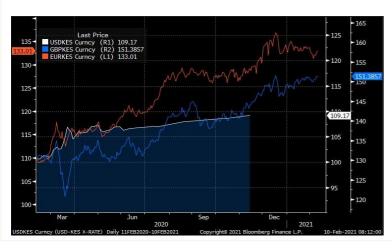
The Kenya shilling edged lower against the greenback on the back of increased foreign currency demand.

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