



25th February 2021

DOMESTIC NEWS

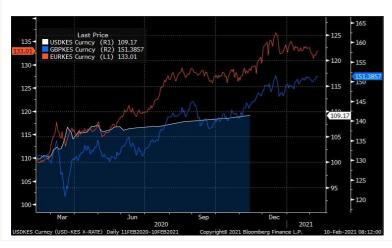
The Kenya shilling edged lower against the greenback on the back of increased foreign currency demand.

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 | | |

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication

- Go for it