

## DOMESTIC NEWS

The home unit continued last week's rally against the US Dollar on the first trading day of the week.

The greenback trooped lower following a barrage of foreign currency flows amidst trifling demand with the home unit knocking off 20 units from the dollar. The central bank was also in the market injecting KES 21.75B in liquidity through 7-day reverse repos at the average rate of 7.33%.

The outlook remains glossy for the local unit in the week ahead as flows propel the USDKES lower.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	101.80	110.00	102.10	111.00
GBP/KES	139.45	151.70		
EUR/KES	119.80	130.45		
JPY/KES	92.84	102.40		
			3 Months	
			Buy	102.80
			SELL	113.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.59%	4.79%	+120.00
91-Day T-bill	7.085%	7.096%	+1.10
182-Day T-bill	7.910%	7.914%	+0.40
364-Day T-bill	9.308%	9.366%	+5.8
Inflation	5.78%	5.90%	+12.00



Source: Bloomberg

## INTERNATIONAL NEWS

The dollar slipped towards a three-week low as Treasury yields held above recent lows on Monday with traders awaiting highly anticipated U.S. inflation and retail sales data and as Treasury Department saw solid demand for new sales of three-year and 10-year notes.

The Euro was little changed; gaining 0.06%, on the day as Treasury yields dipped from session highs but were higher on the day as investors eagerly await the US CPI data release for a fresh trading impetus.

Cable rose 0.26% as traders cheered the latest phase of the British government's economic reopening plans following easing of some UK lockdown measures but analysts have cautioned that the boost to sterling from being ahead in the vaccine race could be short-lived as other countries catch up.

The dollar fell 0.19% versus the Japanese currency in Asian Trading with traders noting U.S. dollar net short positions have fallen to their lowest in nearly three years, which could prove a headwind for further dollar gains against most G10 currencies.

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	1.1110	1.2710
GBP	1.3110	1.4510
JPY	100.80	112.80
CHF	0.8465	0.9865

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