

## DOMESTIC NEWS

The USD/KES currency pair recouped further losses on Friday owing to the newly found appetite for foreign currency in the market.

The session saw a hive of activity as both counters flexed their muscles from the onset. However, the U.S dollar had the upper hand, as amplified demand from corporate players, who emerged from the side-lines, trampled the scanty foreign currency inflows.

The outlooks today points to the local currency trading within a familiar furrow, albeit with a slightly bearish bias, on the back of the evident burgeoning dollar appetite.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.65	110.20
GBP/KES	139.40	151.65
EUR/KES	119.95	131.50
JPY/KES	92.90	102.50

Forward Rate(USD)(1 month)	
BUY	101.85
SELL	111.05
3 Months	
Buy	102.82
SELL	113.18

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.27%	4.95%	+68.00
91-Day T-bill	7.096%	7.108%	+1.20
182-Day T-bill	7.914%	7.938 %	+2.40
364-Day T-bill	9.366 %	9.403%	+3.70
Inflation	5.78%	5.90%	+12.00



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S dollar dropped to a four-week low against a majority of its peers on the back of investor's healthy appetite for riskier assets, including equities, as investors increasingly bought into the Federal Reserve's stance that it would retain the accommodative policy for a little while longer. The fall in the buck was further exacerbated with falling treasury yields, with the 10-year U.S treasury yield dipping close to a thirty-day low. This was in contrast to market's expectation, which anticipated reflation-driven bond selloff witnessed in the first quarter to continue.

The Euro advanced to highs last witnessed in Mid-March after investor sentiment towards riskier assets improved causing a broad dollar sell and broader treasury yield differentials.

Friday's trading saw little movement in the Cable, despite the fall in the greenback due to developments surrounding the post-Brexit discussions. E.U Commission V. P Maros Sefcovic hosted UK negotiator David Frost for talks on Thursday evening and said that only agreements by joint bodies established by the Brexit divorce deal could provide stability in Northern Ireland. He insisted on Friday that Britain should not change trading rules in Northern Ireland on its own and said it take legal action against the province for as long as necessary.

Early Asian trading saw the USD/JPY pair tread water near a one-month low on the back of broad dollar weakening.

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

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