

DOMESTIC NEWS

The shilling's trundle downwards against the greenback continued yesterday, in the midst of burgeoning dollar appetite and shortfalls in foreign currency inflows.

The USD/KES currency traded with a positive bias, from early on in the session, in the wake of dollar buying from players in different sectors of the economy leading the home unit thirty-five cents lower from its previous close.

The domestic unit is likely to continue trading on a defensive tone, barring any intervention or change in fundamentals.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	102.00	111.35
GBP/KES	140.00	155.87
EUR/KES	120.55	133.95
JPY/KES	93.00	105.40

Forward Rate(USD)(1 month)	
BUY	103.45
SELL	111.65
3 Months	
Buy	103.85
SELL	113.85

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.58%	5.67%	+9.00
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 greenback's rebound against a basket of currencies came to a halt yesterday after Canada's monetary authority signalled it could start an interest rate hike in 2022 even as it reduces the scope of its asset-buying program. Earlier, the buck's safe haven appeal had been the centre of attention as resurging COVID-19 cases across continents had rattled global stock markets.

The euro traded rather flat against the dollar on Wednesday, despite experiencing a slump of 0.24 % earlier on in the day on the back of a rising dollar. The single currency will definitely be in focus ahead the ECB meeting later today, where any positive comments about the economic outlook or hints of tapering bond purchases are expected to send the common currency racing higher.

Similarly, Cable held its ground as traders assumed a rise in inflation in March would have a minute impact on monetary policy. Consumer price inflation rose to 0.7% in March after dipping to just 0.4% in February. With a light economic calendar today, the currency pair will likely take cues from dollar moves ahead of April's manufacturing activity and March retail sales data due tomorrow.

In early Tokyo trading, the USD/JPY pair traded near a seven-week low as fading gains in U.S treasury yields reduced the greenback's interest rate advantage.

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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