

DOMESTIC NEWS

The local currency marched further north in Monday's trading session, touching levels last seen in July 2020 against the American unit.

Despite a slight uptick in dollar demand from the manufacturing and energy sectors, the shilling remained well anchored as demand was met by ample inflows, lifting the home unit to a stronger close.

It remains to be seen whether the shilling will hold on to its recently acquired gains, given that dollar buyers are seen to be coming out of the woodworks to take advantage of the relatively attractive prices.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.00	109.30
GBP/KES	141.80	153.95
EUR/KES	119.95	132.85
JPY/KES	93.05	102.75

Forward Rate(USD)(1 month)	
BUY	101.60
SELL	111.25
3 Months	
Buy	102.55
SELL	113.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.61%	2.41%	-120.00
91-Day T-bill	7.115%	7.139%	+ 2.40
182-Day T-bill	7.925%	7.989%	+ 6.40
364-Day T-bill	9.460%	9.474%	+1.40
Inflation	4.67%	5.90%	+12.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar hovered around 2-1/2 month lows on Monday as traders bet that rising inflation would erode the currency's value as the Fed maintains its loose monetary policy stance. A weaker-than-expected jobs report on Friday helped persuade market participants that the Fed would keep rates low and continue purchasing assets, even if inflation rises.

The dollar index, which measures the greenback against major rivals, was last at 90.205, up 0.06% on the day, having earlier hit its lowest since 25th Feb.

The EUR/USD pair reached a fresh two-month high yesterday and then pulled back though holding onto recent gains, the key support being a weaker US dollar and dwindling market sentiment. The recent moves seem to struggle for fresh cues, as investors are divided over reflation fears and dialling back to the key central banks' easy monetary policies.

Cable preserved its bullish momentum on Monday after touching its highest level since late February as confidence grows in UK Economy. The UK downgraded its Covid-19 threat level from 4 to 3, highlighting the success of vaccinations and social distancing.

Earlier today in Tokyo, the USDJPY pair was flat at 108.80 levels.

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	1.1250	1.2855
GBP	1.3100	1.4700
JPY	104.15	114.15
CHF	0.8320	0.9870

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