

DOMESTIC NEWS

The home unit pulled back against the U.S dollar in Tuesday trading, halting a 7-day run.

The local FX counters were awash with dollar buyers, likely importers seeking to take advantage of the somewhat low prices, which saw the shilling retreat 25 cents by closing bell.

In the mid-week session, we expect flows to give clues on the direction for the USDKES pair.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	101.60
USD/KES	101.00	109.30	SELL	111.25
GBP/KES	141.80	153.95	3 Months	
EUR/KES	119.95	132.85	Buy	102.55
JPY/KES	93.05	102.75	SELL	113.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.41%	4.15%	+174.00
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 greenback rose slightly against a basket of currencies yesterday as concerns over inflation mounted, amid rising commodity prices and supply chain issues, which could lead the Fed to tighten the policy sooner-than-expected. Attention shifts to US Consumer Price Index (CPI) for April, expected to register a 3.6% yearly jump.

The EUR/USD pair traded in a narrow range yesterday on mixed reactions on Middle-East tensions and better than expected data releases. German's ZEW Economic Sentiment rose to 84.4 from 70.7 beating the market expectations. Economic sentiment Index edged higher to 84.0 against the market consensus of 65.0.

The GBP/USD pair snapped a three-day winning streak yesterday, consolidating gains near 11-week tops, portraying a typical cautious mood ahead of the key UK Q1 GDP and the US CPI data for April.

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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