DOMESTIC NEWS

The Kenya shilling closed Thursday's trading a tad stronger against the American dollar owing to a slight uptick in foreign currency inflows.

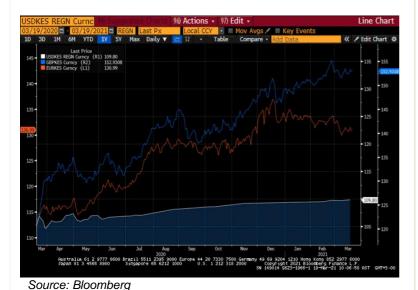
Trading activity began rather sluggishly as market players seemed to appraise the Monetary Policy Committee's report of a stable and resilient economy. Later in the day, as demand remained subdued, light dollar inflows left the shilling slightly higher.

As the week comes to an end, we see the USDKES currency pair preserving the current groove, although players remain on edge, waiting to see whether the pair will break past recent lows.

Amounts	Today's	
"100,000"	Opening	
	Buy TT	Sell TT
USD/KES	100.25	110.25
GBP/KES	141.75	157.85
EUR/KES	120.85	136.45
JPY/KES	92.60	103.20

Forward Rate(USD)(1 month)			
BUY	101.35		
SELL	111.45		
3 Months			
Buy	101.85		
SELL	112.55		

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.10%	5.07%	-3.00
91-Day T-bill	7.155%	7.139%	- 0.16
182-Day T-bill	7.953%	7.865%	- 8.80
364-Day T-bill	9.284%	9.156%	-12.80
Inflation	5.90%	5.76%	-14.00



INTERNATIONAL NEWS

The U.S dollar performed indifferently against a basket of currencies owing to diverging economic views in different home economies. It traded higher against the yen and euro while falling against the Sterling. Endorsement for the buck came from higher U.S. bond yields after a New York Times report that President Joe Biden will announce on Friday a \$6 trillion budget for 2022. Furthermore, the number of Americans filing new claims for unemployment benefits fell to a seasonally adjusted figure of 406,000. Market now focusses its attention to the payrolls data, U.S. inflation data as well as core Personal Consumption Expenditures numbers.

The EUR/USD currency pair edged lower as dovish comments from European Central Bank officials continued to drain its momentum ahead of its policy meeting on June 10. Subsequent influence on the pair's movement was also from broad dollar buying.

Thursday's trading saw the British pound find support, to progress past its recent stagnation, from a policymaker's remarks that the central bank was likely to raise rates well into next year, noting an increase could come sooner if the economy rebounds more quickly than expected.

The USDJPY pair trended higher in early Asian Markets, breaking out of its tight range over the past few weeks, predominantly due to the MSCI's reshuffle of its standard stock index, from which nearly 30 Japanese names were dropped.

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	1.1258	1.2885	
GBP	1.3316	1.4824	
JPY	104.12	114.18	
CHF	0.8322	0.9875	

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