

DOMESTIC NEWS

The Kenya Shilling continued its losing streak, as it extended loses against the U.S. dollar during Wednesday's session.

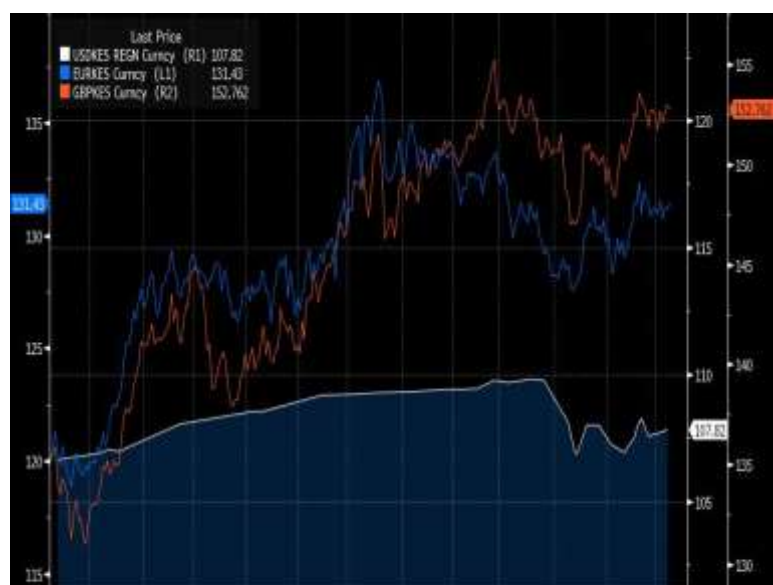
A surge in end-month foreign currency demand overwhelmed the market throughout the day, eclipsing lethargic activity on the supply counters to prop the greenback, and by end of the day, the shilling had lost 10 cents.

Further depreciation of the home unit seems plausible but likely capped as the domestic market continues to witness a demand-supply mismatch.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	102.55	110.80
GBP/KES	142.98	153.20
EUR/KES	121.36	131.93
JPY/KES	92.75	101.93

Forward Rate(USD)(1 month)	
BUY	101.75
SELL	110.70
3 Months	
Buy	102.35
SELL	112.70

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.95%	4.82%	-13.00
91-Day T-bill	7.000%	6.860%	- 14.00
182-Day T-bill	7.536%	7.317%	- 21.90
364-Day T-bill	8.105%	7.729%	-37.60
Inflation	5.76%	5.87%	+11.00



INTERNATIONAL NEWS

The dollar rose to a 2-1/2-month peak on Wednesday, posting its biggest monthly rise since November 2016, supported by a surprisingly hawkish shift in the U.S. Federal Reserve's rate outlook and concern over the spread of the Delta coronavirus variant. The dollar has gained about 3% against a basket of currencies this month, partly in the wake of the Fed's stance at a meeting early this month. Traders are looking to Friday's U.S. nonfarm payrolls report for confirmation of a shift in monetary policy.

The Euro dropped to monthly lows on broad based dollar strength, although data revealed inflation in the 19 countries sharing the euro slipped to 1.9% in June from 2.0% in May, in line with forecasts and right on the ECB's target of "below but close to 2%".

The sterling dropped 0.8% and remains undermined by Brexit jitters related to the Northern Ireland Protocol, now dubbed "the sausage row". The current grace period waiving checks on British-made sausages and other chilled meats moving to Northern Ireland was due to end on yesterday. Moreover, surging coronavirus infections in the UK has shook the economic outlook, although the economy is still set to open by July 19.

Earlier in Tokyo, strong buying sentiment in the US dollar pushed the USD/JPY pair to multi-month highs.

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	1.1105	1.2705
GBP	1.3180	1.4780
JPY	104.05	114.05
CHF	0.8485	0.9785

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