

DOMESTIC NEWS

The local unit traded flat against its U.S counterpart on the first trading day of the month in a session that was characterized by thin trading volumes.

Paltry dollar inflows satiated foreign currency demand from corporate and interbank players throughout the session, subsequently leaving the USDKES currency pair unchanged from the previous days close.

Ahead of the weekend, we anticipate a slowdown in market activity, consequently constraining the movement of the Kenya shilling within familiar territory.

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	4.82%	4.82%	0.00
91-Day T-bill	6.860%	6.728%	- 13.20
182-Day T-bill	7.317%	7.228%	- 8.90
364-Day T-bill	7.729%	7.661%	-6.80
Inflation	5.76%	5.87%	+11.00



INTERNATIONAL NEWS

The dollar hit three-month highs on Thursday but traded within narrow ranges as investors looked to Friday's U.S. nonfarm payrolls report for clues on whether the Federal Reserve will start to reduce monetary stimulus sooner rather than later. The U.S. dollar index, which measures the greenback against six major counterparts was up 0.2%.

The EUR/USD pair printed a four-day downtrend although released domestic data is in the bull's favor with Eurostat announcing that the Unemployment Rate declined to 7.9% in May, and the Markit Manufacturing PMI edged higher to 63.4 in June surpassing market expectations of 63.1.

GBP/USD fell 0.52% after Governor Andrew Bailey tempered hawkish BoE taper and rate tones, following a global central bank playbook that sees near-term inflation rises as temporary. Comments from PM Boris Johnson on further precautions ahead of the end of UK lockdowns also weighed on the pound.

Earlier in Tokyo, the USD/JPY pair was up 0.04%

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

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication