## **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.

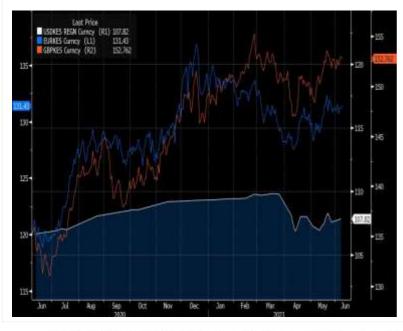
Paltry dollar inflows satiated foreign currency demand from corporate and interbank players throughout the session, subsequently leaving the USDKES currency pair unchanged from the previous days close.

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

| Amounts   | Today's |         |
|-----------|---------|---------|
| "100,000" | 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                   |        |  |  |
| В∪у                        | 102.35 |  |  |
| SELL                       | 112.70 |  |  |

| Money Market<br>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 |  |  |

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