

DOMESTIC NEWS

The shilling's slide against the dollar continued during Tuesday's trading session on the back of sustained dollar demand.

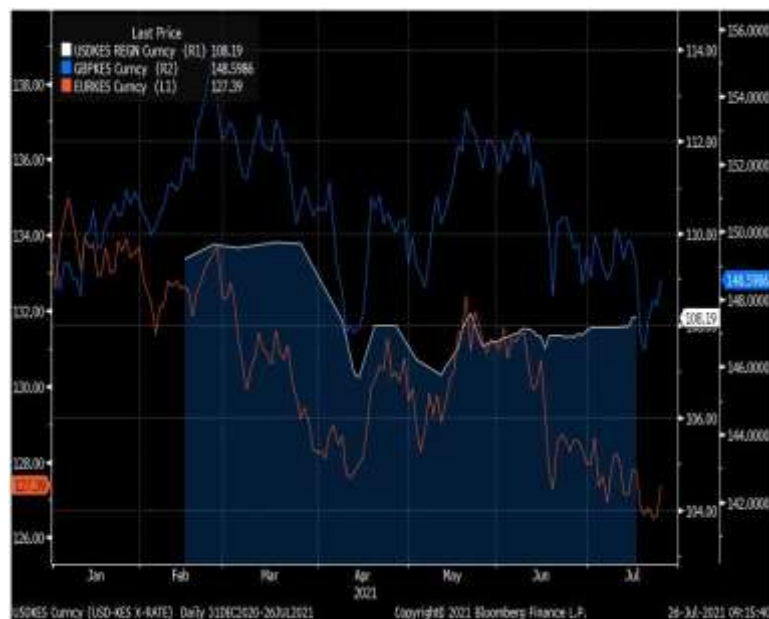
A slight uptick of activity on the demand counters in, what was another relatively lethargic trading session saw the shilling cede 5 cents by day's close.

We see the domestic unit trading defensively in the interim against the dollar owing to sustained corporate demand.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	103.80	112.35
GBP/KES	143.90	154.50
EUR/KES	121.50	132.30
JPY/KES	95.10	104.70

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	2.77%	2.83%	+6.00
91-Day T-bill	6.513%	6.527%	+1.40
182-Day T-bill	7.046%	7.117%	+7.10
364-Day T-bill	7.418%	7.418%	0.00
Inflation	5.87%	6.32%	+45.00



INTERNATIONAL NEWS

The dollar advanced for a second straight session on Tuesday, bolstered by safe-haven demand, as investors fretted about Afghanistan, a slowing Chinese economy, and the rapid spread of the Delta coronavirus variant which forced some lockdowns. A much sharper decline than expected in Tuesday's U.S. retail sales curbed gains in the dollar, but that was offset by the higher-than-forecast rise in industrial production, which accelerated the greenback's gains.

The EUR/USD pair fell 0.53% to nearly retest August and March's 2021 lows after the U.S. data releases. Euro zone employment and Q2 final GDP were at or better than forecast, but the focus for EUR/USD is more on the outlook for the Fed tapering after its September meeting.

The GBP/USD pair dropped 0.75%, dragged down by the risk-aversion wave propelling the greenback. However, the UK flashed upbeat data, with the headline unemployment rate for three months to June dropping below an expected 4.8%.

Earlier in Asia, USD/JPY was up 0.3% amid broad based USD safe haven strength.

Indicative Deposit Rates			
	Amounts > KES 20 million		Amounts > 100,000
	KES		USD
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	1.1040	1.2440
GBP	1.3110	1.4510
JPY	103.35	117.35
CHF	0.8530	0.9930

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