

DOMESTIC NEWS

The Kenya shilling pulled back marginally versus the US dollar in the midweek trading session.

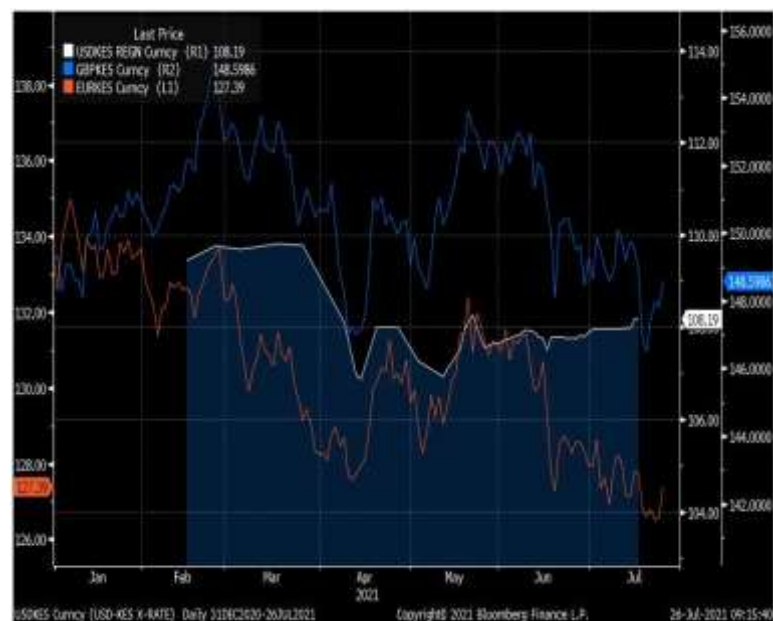
After two successive sessions characterized by low activity this week, Wednesday started in the same vein, with the home unit holding steady against the greenback during morning hours. However, a slight uptick in dollar demand later on in the day propelled the USDKES pair marginally upwards.

We see the local unit trade within current ranges in the interim as muted market activity continues to depict the local currency scene.

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	2.83%	3.03%	+20.00
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 slipped slightly from 4-1/2-month highs to trade little changed on Wednesday after minutes of last month's Federal Reserve meeting suggested there was no consensus about the timing of a tapering of its asset purchases under the U.S. central bank's quantitative easing program. A reduction in debt purchases is typically positive for the dollar as it means the Fed will not be flooding the financial system with cash, increasing the greenback's value.

EUR/USD was up 0.03%, rebounding from 9 month lows after the release of FOMC minutes. Moving forward, the European calendar seems quiet but weekly prints of the US Jobless Claims and monthly Philadelphia Fed Manufacturing Survey for August may offer short-term direction.

Sterling was up 0.15%, as British inflation fell to the Bank of England's 2% target last month in an unexpectedly sharp slowdown that economists said was most likely a blip as the reopening of the economy after lockdown drove prices higher.

Earlier in Asia, USD/JPY challenged four day highs post FOMC minutes, as the bulls continued to take advantage of the unabated US dollar demand across the board.

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

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