

DOMESTIC NEWS

The local currency held on to gains acquired through the week against its American counterpart in Friday trading.

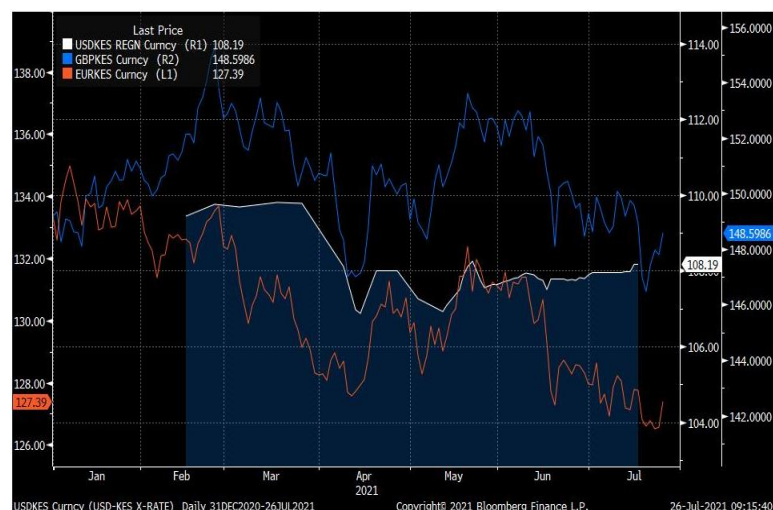
Market players witnessed balanced flows across the FX counters through the day that saw the USDKES pair remain unchanged on the day.

Today, we expect the local currency to remain well anchored on, as yield-seeking investors convert foreign currency for the settlement of the 21-year Infrastructure Bond sale, which attracted considerable demand from both on and offshore investors.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	103.70	112.85
GBP/KES	143.48	154.65
EUR/KES	121.75	132.90
JPY/KES	94.99	104.80

Forward Rate(USD)(1 month)	
BUY	103.85
SELL	113.10
3 Months	
Buy	104.70
SELL	113.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.81%	3.62%	-19.00
91-Day T-bill	6.774%	6.781%	+7.00
182-Day T-bill	7.226%	7.253%	+2.70
364-Day T-bill	7.517%	7.777%	+26.00
Inflation	6.55%	6.57%	+2.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar staged a mild recovery in response to the slight bounce in yields of the US 10-year note to levels above 1.32% on Friday. Additionally, hawkish FOMC member L.Mester (Cleveland Fed) suggested that inflation would remain high this year, just to edge lower in 2022. On the data front, the US Producer Prices rose by 0.7% month on month (MoM) and by 8.3% year on year (YoY). Core prices rose 0.6% MoM and 6.7% YoY.

The single currency gave away initial gains on Friday, on comments from the President of the European Central Bank (ECB). She reiterated that the ECB is determined to continue to provide the necessary support in order to maintain favorable financing conditions, in order to make sure that the Eurozone recovery is not just a rebound. German final inflation figures showed the headline CPI figures came in flat on a monthly basis in August and rose 3.9% from a year earlier. Inflation tracked by the broader HICP rose 0.1% MoM and 3.4% YoY.

The GBPUSD pair peaked on Friday to the highest levels seen in the week, and then lost momentum as the day progressed on marginal dollar strength.

Earlier today in Tokyo, the Japanese yen held ground benefiting from its safe-haven appeal. Japan's economy had shown signs of more momentum than market expectations ahead of a record surge in virus cases.

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	2.75%	0.25%	0.25%	0.00%
1 month	4.70%	0.25%	0.25%	0.00%
3 months	5.00%	0.35%	0.35%	0.00%
6 months	5.25%	0.50%	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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