

DOMESTIC NEWS

The local unit kicked off the week edging a tad lower against the greenback on account of an uptick of activity on the demand counters.

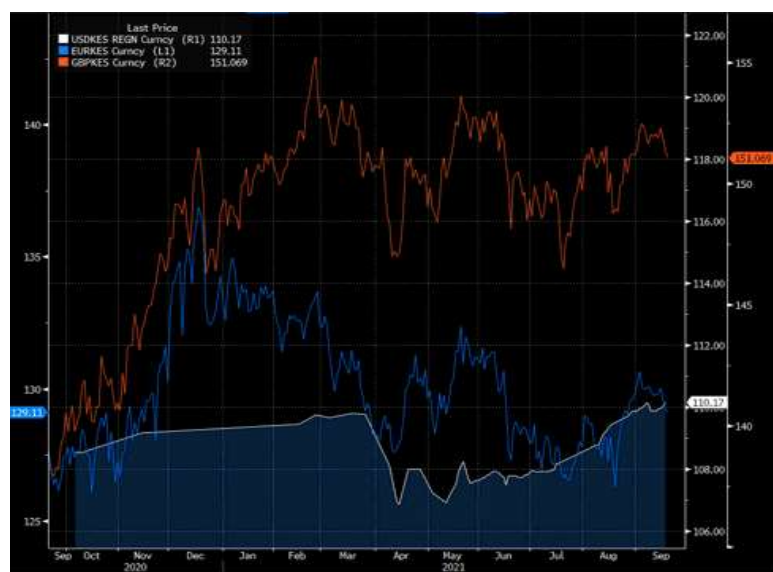
After holding steady for most of the day, the home unit inched lower on the back of corporate dollar demand during the afternoon trading session which led it to shed 5 cents by the days close.

We see the local currency trading range bound in the interim, as foreign currency buyers and sellers continue to battle for dominance in the local FX market.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	103.90	113.30
GBP/KES	141.05	152.50
EUR/KES	120.15	131.80
JPY/KES	93.95	104.10

Forward Rate(USD)(1 month)	
BUY	104.25
SELL	114.25
3 Months	
Buy	105.15
SELL	115.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.63%	6.69%	+6.00
91-Day T-bill	6.896%	6.895%	-0.10
182-Day T-bill	7.282%	7.282%	0.00
364-Day T-bill	7.890%	7.949%	+5.90
Inflation	6.55%	6.57%	+2.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar surrendered more of its recent Fed-fueled gains on Monday as technically inspired profit taking marked the beginning of this week's four-day vigil ahead of a non-farm payrolls report that could decide whether the U.S. announces the start of stimulus reduction in November.

Markets were also struggling with a confusing mix of issues pertaining to the global recovery ranging from supply-chain problems to rising energy prices, Chinese regulatory disruptions and the unsettled U.S. fiscal situation, which could ultimately affect the Fed's drive to normalize policy.

EUR/USD gained 0.25% and is likely to consolidate ahead of U.S. ISM services on Tuesday, ADP on Wednesday and Friday's employment report, forecast at 488,000 versus August's disappointing 235,000.

Cable was up 0.5%, managing to get back above the August and late September lows it broke below last week. Sterling bulls are looking past renewed Brexit-related uncertainties after Britain warned the EU it would trigger safeguard measures in their divorce deal.

Earlier in Tokyo, the USD/JPY pair was on an upward trajectory amid a broader recovery in the risk sentiment.

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	1.0890	1.2290
GBP	1.2750	1.4150
JPY	104.00	118.00
CHF	0.8600	0.9900

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