

DOMESTIC NEWS

The Kenya Shilling ceded negligible ground to its U.S counterpart in a relatively lethargic session.

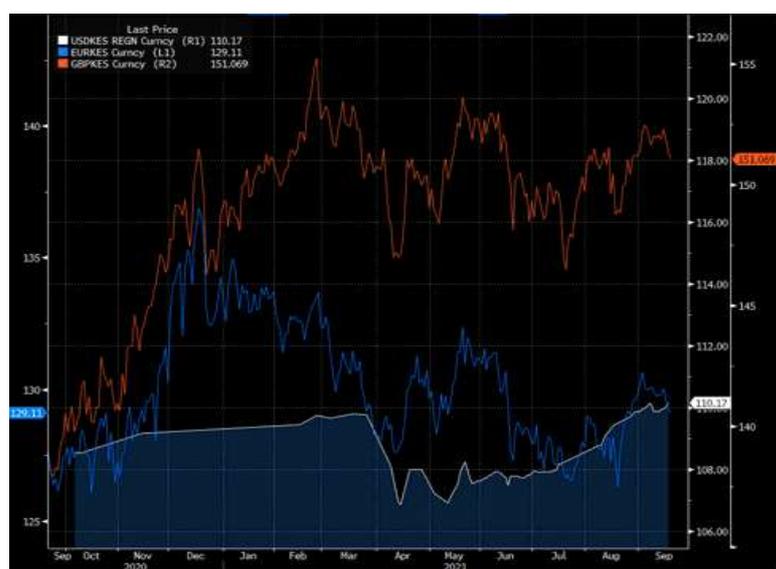
Subdued market activity continued to characterize the session for the better part of the day. An afternoon dollar buy-off from importers and corporate players saw the USDKES currency pair close 5 cents higher.

Going forward, we anticipate the USD/KES pairs trajectory to be primarily flow-driven, as muted market activity continues to depict the local currency scene.

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	6.53%	6.38%	-15.00
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 climbed across the board on Wednesday, as surging energy prices fueled concerns about inflation and interest rate hikes, knocking investors' appetite for riskier assets and driving flows to safe-havens. With oil prices hitting their highest in seven years, shares fell and government bond yields rose across the world early on Wednesday, before reversing some of the moves later in the session. The U.S. Dollar Index, was 0.3% higher at 94.228. The index hit a 1-year high of 94.504 last week.

The euro reached new monthly lows against a stronger US dollar in a risk-off session. The world's major stock markets have gone back into the red, with safe assets, such as government bonds, favored by concerns about the surging inflationary pressures.

The British pound put an end to a four-day rally on Wednesday, pulling back from one-week highs as broad based US dollar's strength weighed in. Furthermore, the uncertainty about what additional impact Brexit is having on supply chains, wages and prices appears to have taken an additional toll on investor sentiment.

Earlier in Asia, the USD/JPY pair traded flat as BOJ Governor Haruhiko Kuroda stated the economy is expected to recover as the impact of the coronavirus pandemic gradually subsides.

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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