

DOMESTIC NEWS

Mid-week trading saw the local currency trade a shade lower against the American currency as foreign currency demand and supply battled for supremacy in the local FX market.

Dollar demand from the corporate sector continued to provide upward pressure for the USD/KES currency pair, from early on in the session, urging the shilling five-cents lower by the closing bell.

The domestic unit is likely to trade within current furrow but flows continue to guide the direction of the USDKES pair.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	105.35	115.30
EUR/KES	120.75	133.00
GBP/KES	142.50	154.70
JPY/KES	92.85	103.40

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	4.7358%	4.3873%	-34.85
91-Day T-bill	7.040%	7.097%	+5.70
182-Day T-bill	7.486%	7.554%	+6.80
364-Day T-bill	8.489%	8.624%	+1.35
Inflation	6.90%	6.50%	-40.00



Source: Bloomberg5

INTERNATIONAL NEWS

The U.S. dollar surged on Wednesday in the wake of unexpectedly strong CPI increases that drove treasury yields and Fed rate hike expectations higher. In the last 12 months through October, the CPI accelerated by 6.2%, the largest year-on-year advance since November 1990, following a 5.4% jump in September, a sign that inflation could stay uncomfortably high well into 2022 amid snarled global supply chains.

EUR/USD pair pulled back in response to a warning over poor management of German government finances by the federal audit office, which could see the German economy, lag behind its peers going into next year. The solid performance by the greenback further extended its slump.

Pound edged lower yesterday over post-Brexit qualms. Northern Ireland was jittery, as British government appears ready to invoke emergency unilateral provisions, a move that would sour ties with Dublin, the EU and the United States.

In early trading in Asian markets, the safe-haven Japanese currency took a sharp fall after U.S. inflation rose to its highest level in a generation, fanning bets on interest rate hikes.

Indicative Deposit Rates				
	Amounts > KES 20 million		Amounts > 100,000	
	KES		USD	EURO
Call	2.75%	0.25%	0.00%	
1 month	5.25%	0.25%	0.00%	
3 months	5.75%	0.35%	0.00%	
6 months	6.50%	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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