

DOMESTIC NEWS

The domestic currency spent much of Thursday in a holding pattern against the dollar as market witnessed reduced activity.

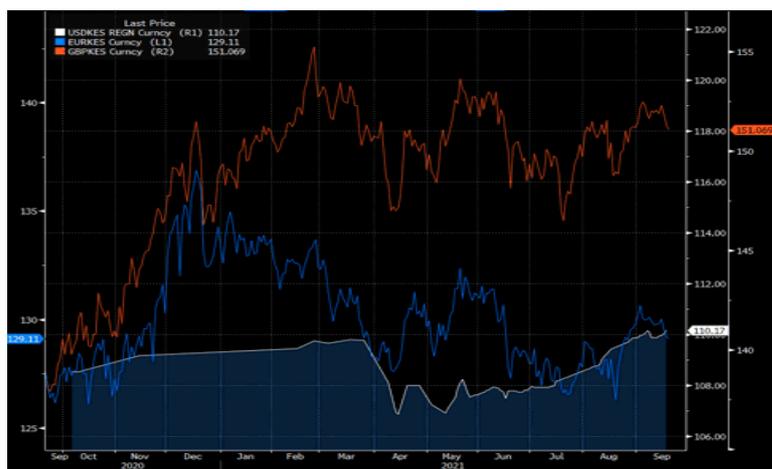
In a rather quiet morning session, the local unit held steady versus the greenback as key counters held their stance. However, appetite for foreign currency in the afternoon outpaced the inflows, leaving the shilling a tad lower by the end of the day.

Ahead of the weekend, it is likely that the shilling will remain range bound, given the dearth of activity in the local FX market.

| Amounts "100,000" | Today's Opening | |
|----------------------|--------------------|---------|
| | Buy TT | Sell TT |
| USD/KES | 105.85 | 115.40 |
| EUR/KES | 120.95 | 132.65 |
| GBP/KES | 142.70 | 154.30 |
| JPY/KES | 93.05 | 103.25 |

| 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 | 4.3873% | 4.7635% | +37.62 |
| 91-Day T-bill | 7.097% | 7.070% | -2.70 |
| 182-Day T-bill | 7.554% | 7.683% | +12.90 |
| 364-Day T-bill | 8.624% | 8.745% | +12.10 |
| Inflation | 6.90% | 6.50% | -40.00 |



Source: Bloomberg5

INTERNATIONAL NEWS

The dollar soared to hit a new peak for 2021 a day after the release of the strongest U.S. inflation numbers in more than three decades, which encouraged bets that the Federal Reserve would tighten monetary policy faster than expected.

Euro continued its descent despite news that the trading bloc continued to rebound quicker than expected from the COVID-19 pandemic. European Union revised its growth forecasts for 2021 with GDP in the Eurozone now forecasted to grow by 5%, a steady rise from 4.3% in May and 4.8% in July.

The British pound fell to its lowest level of 2021 against the dollar yesterday, as the U.K economy appeared to lose economic momentum. Data released by the Office for National Statistics indicated gross domestic product grew by 1.3%, the weakest three-month elevation since Britain was under lockdown in early 2021.

Earlier this morning, the USD/JPY pair advanced further as the dollar continued to rally in the backdrop of strong CPI data.

| 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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