

DOMESTIC NEWS

The local FX market recorded diminished activity in Thursday's session, leaving the Kenya shilling trading flat versus the U.S. dollar.

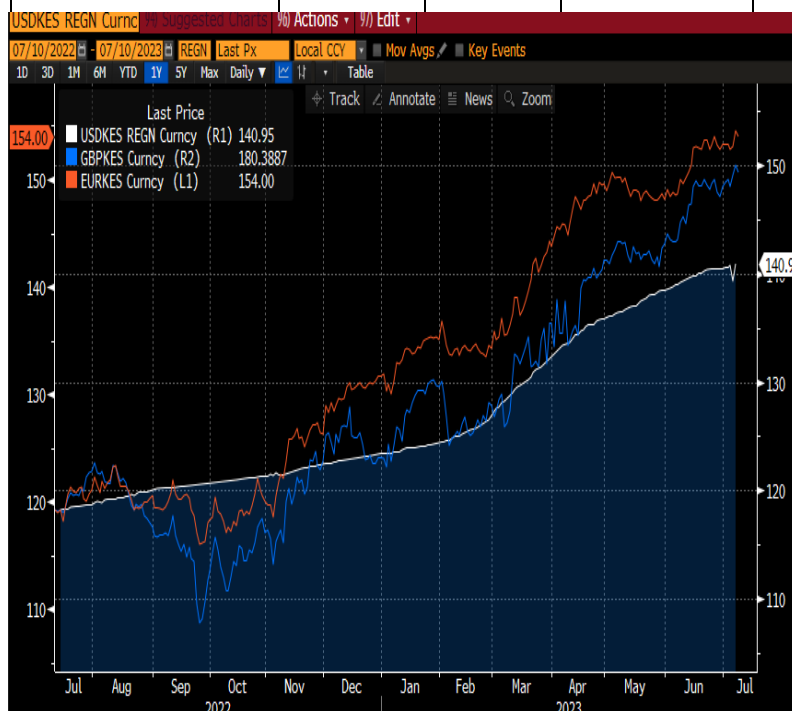
There was little by way of volume from both interbank and merchant counters and the tit bits of activity were evenly matched leaving the USD/KES pair relatively unchanged by the sessions end.

Ahead of the weekend, an improvement in market activity before end month is anticipated as markets players regularize their positions, with the USD/KES dynamic remaining primarily flow driven

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	135.25	145.65
EUR/KES	148.55	163.10
GBP/KES	173.40	190.40
JPY/KES	97.01	106.26

Forward Rate (USD) (1 month)	
BUY	138.10
SELL	147.00
3 Months	
Buy	140.20
SELL	147.80

Money Market Rates	Previous	Current	Change bps
Interbank Rate	13.52%	14.84%	+132.00
91-Day T-bill	12.233%	12.352%	+11.90
182-Day T-bill	12.322%	12.392%	+ 7.00
364-Day T-bill	12.708%	12.728%	+2.00
Inflation	8.00%	7.88%	-12.00



INTERNATIONAL NEWS

The dollar index strengthened 0.692% on Thursday, after better-than-expected U.S. economic data continued to foil investors' expectation for relatively dovish monetary policy from the Federal Reserve. Data showed the U.S. is staving off a recession, increasing the likelihood that the Fed could further hike interest rates if it continues to see strong economic numbers across the board.

The U.S. economy grew faster than expected in the second quarter as labor market resilience underpinned consumer spending, while businesses boosted investment in equipment, potentially keeping a recession at bay.

Initial claims for state unemployment benefits fell by 7,000 to a seasonally adjusted 221,000 for the week ended July 22, the lowest level since February, according to a Labor Department report. Economists had forecast 235,000 claims for the latest week.

EUR/USD was down 0.86% as the ECB lifted its base rate to a historic high on Thursday and kept its options open on whether more increases will be needed to bring down inflation. Evidence of a slowdown in Europe has mounted as loan demands hit a record low in the second quarter, business confidence has deteriorated in Germany, and disappointing Purchasing Manager Indexes came in below expectations for the euro zone as a whole.

GBP/USD licked its wounds after hitting the lowest level in two weeks, slumping heavily after US data bolstered the greenback and UK policymakers criticized anticipated BoE rate hikes amid recession woes.

Earlier in Asia, the yen was up by 250 pips after BoJ left its monetary policy unchanged despite the market's expectations of witnessing a tweak to the Yield Curve Control

Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	4.25%	1.00%	0.00%
1 month	6.25%	2.00%	0.00%
3 months	7.00%	2.25%	0.00%
6 months	8.00%	2.35%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.0165	1.1685
GBP	1.1900	1.3600
JPY	134.05	143.25
CHF	0.8120	0.9950

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