

## DOMESTIC NEWS

The Kenya Shilling was weaker against the U.S dollar, in Wednesday's trading session driven by an uptick in foreign currency demand, prompting the USD/KES currency pair to march further north.

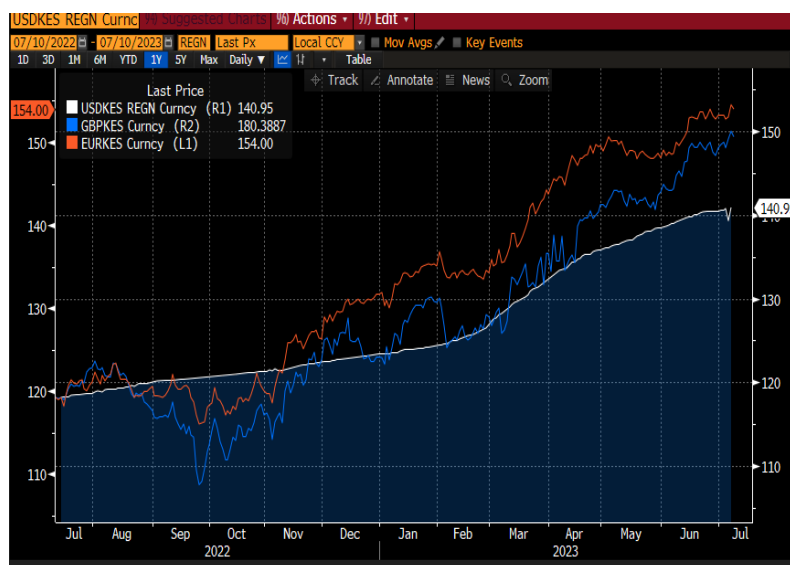
Subdued market activity characterized the session for the better part of the day. Late afternoon dollar buying saw the home currency close a few cents lower than previous day close.

Market chatter alludes to range bound trading at current levels, as investors search for fresh economic fundamentals to give price direction for the currency pair.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	137.30	148.10
EUR/KES	148.60	163.40
GBP/KES	172.70	189.90
JPY/KES	96.05	105.40

Forward Rate (USD) (1 month)	
BUY	138.10
SELL	149.15
3 Months	
Buy	140.20
SELL	149.95

Money Market Rates	Previous	Current	Change bps
Interbank Rate	16.55%	17.00%	+45.00
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



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S dollar levitated on Wednesday as markets shrugged off Fitch's U.S. credit rating downgrade even as data showing a larger-than-expected increase in private payrolls in July - bolstered the greenback. The data, saw private payrolls rise by 324,000 jobs against an expectation of 189,000 jobs; speaking to the resilience of the labour market and is likely to push the Fed to keep rates higher for longer. This sent the dollar index to a peak of 102.78 and saw treasury yields rise.

Additionally, the greenback received support after traders began to forecast for a fresh wave of risk aversion after rating agency Fitch downgraded the U.S. government's top credit rating to AA+ from AAA, a move that drew negative responses from the White House.

There was also little adverse reaction in the world's most-traded currency pair, the EUR/USD, which fell by 0.37 percent as a consequence of safe haven buying.

The Pound was a touch lower against the dollar, reeling from the dollar strength as well as traders' apathy ahead of the BOE'S interest rate policy decision, scheduled for release later today.

Early Asian trading saw the safe haven Japanese yen side marginally higher against the dollar, though languished near an over three-week low hit earlier in the week as traders gambled that a fresh wave of risk aversion is likely to hit the market. Additionally, BOJ policymakers have been quick to pushback against speculation of an exit to the central bank's ultra-easy policy.

### Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	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	1.0550	1.1685
GBP	1.1900	1.3600
JPY	137.05	145.25
CHF	0.8120	0.9950

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