

DOMESTIC NEWS

The local unit ceded pintsize ground to the US dollar in Thursday's trading at the Local FX Market.

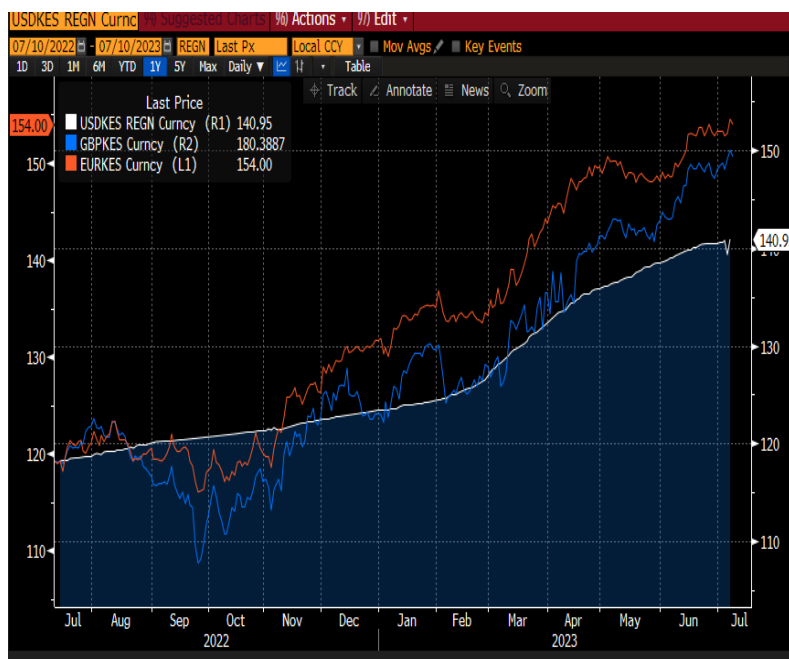
The USDKES currency pair nestled just around the same farrow it closed the previous day. Many market players remained on the side lines, with few tickets exchanging hands, to mark a day of low volumes.

We expect the currency pair to remain within the current ranges, with the direction of the pair guided by demand and supply flows barring any other factors.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	137.25	148.30
EUR/KES	149.00	164.00
GBP/KES	173.28	190.50
JPY/KES	94.94	106.33

Forward Rate (USD) (1 month)	
BUY	138.10
SELL	149.10
3 Months	
Buy	140.20
SELL	149.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	16.90%	17.21%	+31.00
91-Day T-bill	12.352%	12.685%	+33.30
182-Day T-bill	12.392%	12.558%	+ 16.60
364-Day T-bill	12.728%	13.107%	+37.90
Inflation	7.88%	7.3%	-58.00



INTERNATIONAL NEWS

The greenback was indifferent against a basket of currencies ahead of the release of the non-farm payrolls later today. The numbers are expected to have increased by 200,000 jobs, after rising 209,000 in June. That would be the smallest gain since December 2020, but with the unemployment rate steady near multi-decade lows it would indicate a still-tight labor market.

The euro rose by 0.1%, against the dollar, bolstered by German industrial orders, which rose significantly, above expectation in June, by 7.0% due to large-scale orders in several sectors. The gain was however pared by French industrial production numbers, which fell by 0.9% in the same month, a weaker result than the expected fall of 0.3% and below the previous month's 1.1% growth.

Sterling got whipsawed on Thursday after the Bank of England's modest rate hike of 25 basis points to a fifteen-year high of 5.25%. Granting this was the BOE's 14th consecutive interest rate increase to combat inflation, it was a smaller rise than the prior month's 50 basis points and has raised speculation that the central bank is considering ending its tightening cycle.

In today's early trading, the yen drifted near the middle of its trading range this week, against the greenback, as traders tried to gauge the Bank of Japan's tolerance for higher yields following last week's surprise policy yank.

Indicative Deposit Rates

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

ISSUED BY NCBA, NAKURU P.O. BOX 30437, TEL 2664666, 2734333, 2734331 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication