

## DOMESTIC NEWS

The Kenya shilling movement against the U.S. dollar was constrained within a narrow band on Monday.

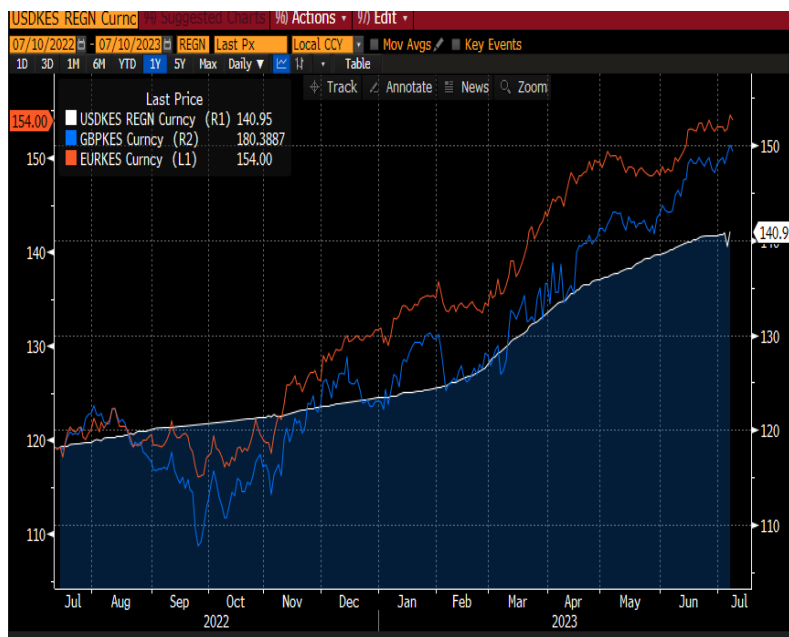
The market was lethargic with minimal flows, and the persistent demand continued to outweigh inflows. The local unit closed the day weaker by 20 cents compared to the previous session.

Looking ahead, we expect the USDKES pair to remain within the current range guided by demand and supply flows

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	143.00	154.60
EUR/KES	148.12	166.64
GBP/KES	170.79	188.20
JPY/KES	95.88	110.36

Forward Rate (USD) (1 month)	
BUY	143.50
SELL	155.00
3 Months	
Buy	146.35
SELL	157.30

Money Market Rates	Previous	Current	Change bps
Interbank Rate	12.34%	12.44%	+10.00
91-Day T-bill	14.7866%	14.8206%	+3.40
182-Day T-bill	14.9399%	14.9499%	+10.00
364-Day T-bill	15.2114%	15.0544%	-16.70
Inflation	7.28%	6.7%	-58.00



Source: Bloomberg

## INTERNATIONAL NEWS

The USD dollar index climbed on Monday, building on four straight weeks of gains, after the U.S. government avoided a shutdown and economic data again supported the view that the Federal Reserve will keep interest rates higher for a longer period of time. The U.S. Treasury yields continued climbing on a hawkish Federal Reserve (Fed) rate outlook and market jitters over U.S. political budget brinkmanship are rattling broad-market investor sentiment, sending risk-off flows piling into the USD.

The Euro suffered a brutal September sell-off that continued Monday following fresh signs of economic trouble in Europe just as experts warn that the single currency could hit parity with the dollar in the coming months as U.S. interest rates remain higher for longer.

The Pound Sterling (GBP) bounced back after a brief dip from its weekly high. Investors are optimistic about the UK's ability to manage the impact of higher interest rates from the Bank of England (BoE). The BoE has paused its rate hikes to support the economy. Expect Pound Sterling to be volatile as the UK Finance Minister plans to increase the minimum wage and forgo tax cuts at the Conservative Party conference.

Japanese authorities are facing renewed pressure to combat a sustained depreciation in the yen, as investors eye prospects of higher-for-longer U.S. interest rates while the Bank of Japan remains wedded to its super low interest rate policy. Japanese Finance Minister said on Tuesday that any decision on currency market intervention would be based on volatility, not specific yen levels. Aside from verbal intervention, Japan's government has several options to stem what it considers excessive yen falls.

### Indicative Deposit Rates

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

### Indicative Cross Rates

	Buy	Sell
EUR	1.0400	1.1550
GBP	1.2000	1.3700
JPY	140.50	150.50
CHF	0.8120	0.9950

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX 2734661-5  
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