



## **DOMESTIC NEWS**

The Kenyan shilling was on the defensive against the U.S Dollar in Monday's trading session.

Increased dollar demand continued transcending in the market, seeing the local unit lose some ground to the greenback amid minimal trading yesterday. The USD/KES pair ended the day a few cents higher than the previous day's close.

In the coming days, we expect the pair's trading to be rangebound, barring any unexpected market moving data.

Amounts	Today's		Forward Rate (USD) (1 month)		
"100,000"	Opening		BUY	145.40	
	Buy TT	Sell TT	SELL	158.00	
USD/KES	149.80	157.80			
EUR/KES	158.74	170.49	3 Months		
GBP/KES	182.83	197.08	Buy	148.95	
JPY/KES	100.15	107.31	SELL	161.00	

Money Market Rates	Previous	Current	Change bps
Interbank Rate	12.09%	11.99%	-10.00
91-Day T-bill	15.1112%	15.1863%	+7.51
182-Day T-bill	15.1289%	15.2714%	+14.25
364-Day T-bill	15.3867%	15.4391%	+5.24
Inflation	6.8%	6.9%	+10.00



## Source: Bloomberg

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## **INTERNATIONAL NEWS**

The U.S. dollar extended its decline in early trading on Monday, having fallen last week by the most since July after the Federal Reserve dialled down its hawkish rhetoric and U.S. data showed signs of moderation. The greenback, however, managed to make a recovery during the New York session, on the back of a rebound in Treasury yields, as investors looked to assess the outlook of the Fed's monetary policy as well as gauge subsequent data for a better view on the economy. Powell's speeches on Wednesday and Thursday will be key in determining whether he maintains the more dovish tone from the recent Fed meeting.

EUR/USD registered a fresh 2-month high on Monday, supported by a weaker Dollar and strong German September industrial orders, but was unable to hold onto the gains as market turns its attention on the Fed speakers later in the week. In focus are German CPI figures expected tomorrow.

The GBP/USD pair initially rose during the early trading session but lost ground later in the day as the greenback rebounded. The Sterling was supported by weak US non-farm payrolls data, which boosted expectations of a Fed rate pause. Traders are now eyeing UK GDP data expected on Friday to get a bit more direction on how the economy is fairing.

The Yen struggled to hold onto yesterday's gains against the U.S Dollar and lost about 0.50% this morning on continued dollar buying. The USD's strength is partly due to repositioning before FOMC member speeches, which could offer insights on future rate hikes.

Indicative Deposit Rates Amounts > KES 20 million			Amounts > 100,000		
KES			USD		EURO
Call	4.25%	4.25%			0.00%
1 month	6.25%	6.25%			0.00%
3 month	s 7.00%	7.00%			0.00%
6 month	s 8.00%	8.00%			0.00%
Indicative	e Cross Rates				
	В∪у	Sell			
EUR	1.0400	1.0400			
GBP	1.2000	1.3700			
JPY	140.50	150.50			
CHF	0.8120	(	0.9950		

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