

DOMESTIC NEWS

The Kenyan shilling's fluctuation against the U.S. dollar remained limited within a narrow range on Monday.

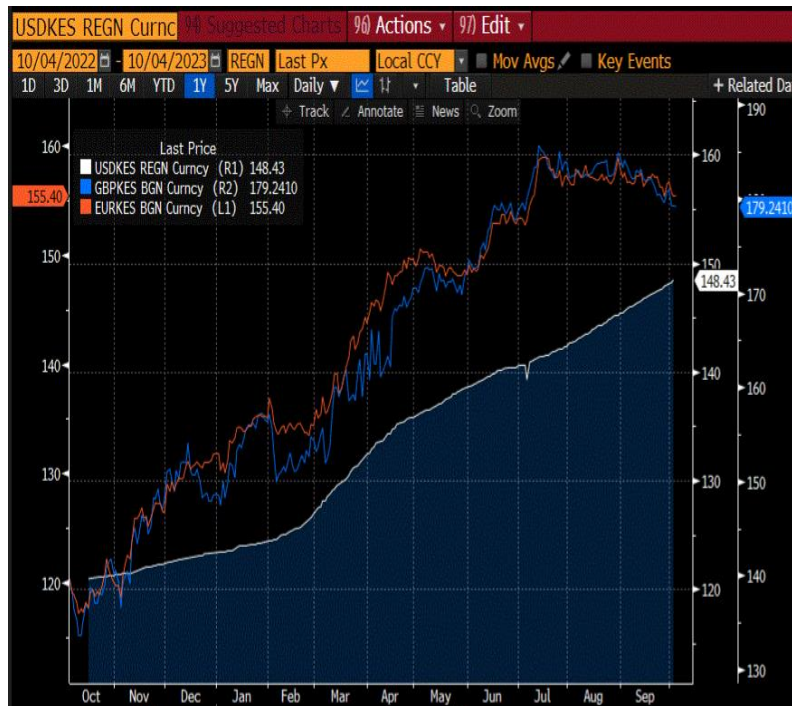
There was a noticeable increase in the demand for foreign currency from diverse sectors of the economy. This uptick in demand resulted in a slight upward movement in the USDKES currency pair by the time the market closed.

We anticipate that the USDKES pair will continue to trade within the existing range, influenced by fluctuations in supply and demand.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	157.50	163.00
EUR/KES	170.21	179.60
GBP/KES	197.70	209.47
JPY/KES	108.33	114.01

Forward Rate (USD) (1 month)	
BUY	158.50
SELL	165.00
3 Months	
Buy	161.00
SELL	168.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	13.4428%	13.4769%	+3.41
91-Day T-bill	16.0589%	16.1452%	+8.63
182-Day T-bill	16.0915%	16.1874%	+9.59
364-Day T-bill	16.2786%	16.3917%	+11.31
Inflation	6.8%	6.63%	-0.17



Source: Bloomberg

INTERNATIONAL NEWS

The markets were relatively flat yesterday, with the U.S. holiday limiting activity as traders pondered over the chances of early rate cuts by the Federal Reserve. The dollar index, however, rose to its highest levels in a week in today's early trading session. The U.S. data calendar is pretty quiet this week, with the main focus being Wednesday's retail sales. This will be closely watched for indications that consumer spending - a major driver of economic growth - remaining resilient in the face of elevated interest rates. Retail sales are expected to have risen 0.4% in December, after a 0.3% increase in November.

The euro was steady in Monday's trading as investors digested fresh economic data, eagerly anticipating remarks from ECB President Lagarde during the week for additional insights into the European Central Bank's policy trajectory. European Industrial Production declined again in November, but no less than market forecasts were expecting.

The GBP experienced a sell-off due to concerns about the upcoming UK labor market data, with investors expecting a decline in wage growth. Sterling slid in a risk-off trading day, ahead of a busy data week with markets expecting Britain's employment and inflation figures to provide clues on when the Bank of England (BoE) will start loosening monetary policy.

The USD/JPY pair held ground during the early trading session on Tuesday. The uptick in the pair was bolstered by the stronger US Dollar broadly. Data released from the Statistics Bureau of Japan showed on Tuesday that the nation's Producer Price Index (PPI) grew 0.3% MoM in December from 0.2% in November, beating the estimation of 0%. On an annual basis, the PPI figure remained flat in December from the previous reading of a 0.3% rise, above the market consensus of a 0.3% fall.

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	1.0400	1.1550
GBP	1.2000	1.3700

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