

DOMESTIC NEWS

The Kenya Shilling ceded marginal ground to the US dollar on Thursday's trading session.

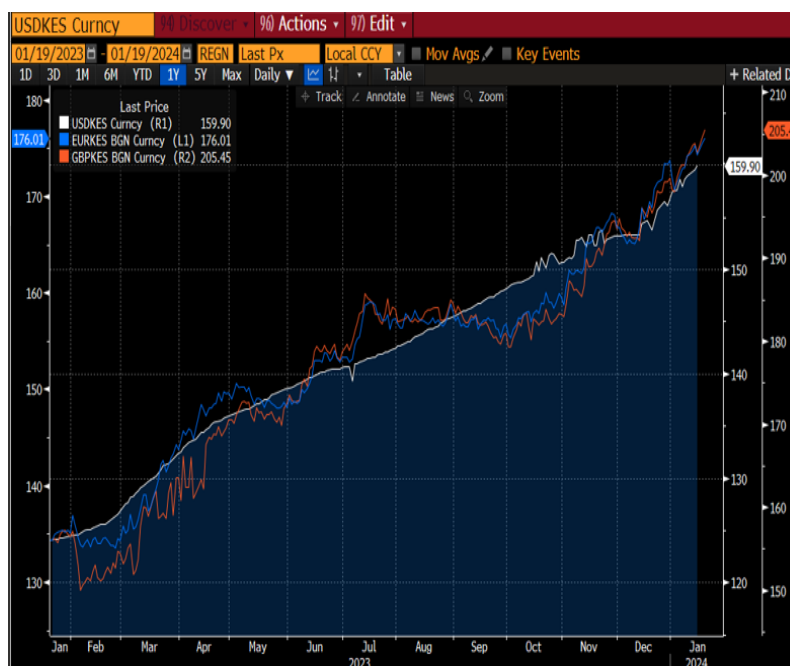
Foreign currency flows on both the demand and supply counters balanced out for much of the day, although a slight uptick in dollar demand saw the USDKES currency pair advance a few cents further by session's close.

Market chatter still points to range bound trading as calm continues to engulf the local FX market with demand and supply guiding the direction of the USDKES pair.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	159.50	165.00
EUR/KES	171.83	181.24
GBP/KES	200.61	212.37
JPY/KES	107.92	113.54

Forward Rate (USD) (1 month)	
BUY	160.50
SELL	167.00
3 Months	
Buy	163.00
SELL	170.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	13.6715%	13.76%	+8.85
91-Day T-bill	16.1452%	16.2347%	+8.95
182-Day T-bill	16.1874%	16.3007%	+11.33
364-Day T-bill	16.3917%	16.4719%	+10.00
Inflation	6.8%	6.63%	-0.17



Source: Bloomberg

INTERNATIONAL NEWS

The US dollar rose for a fifth consecutive day on Thursday due to positive labor market data, which indicated job growth. The decline in unemployment claims to 187,000, below the expected 207,000, contributed to the dollar's strength. Federal Reserve officials, including Governor Christopher Waller, tempered expectations of an imminent interest rate cut, emphasizing a more gradual approach contrary to market anticipation.

The Euro declined against major currencies as investors adjusted their exposure. The ECB expressed caution about market expectations for rate cuts, indicating they may not align with the ECB's intentions. Concerns about inflation persist, despite recent improvements, with policymakers remaining skeptical about the permanence of progress and acknowledging ongoing inflationary risks. Signs of economic weakness in the Eurozone continue to plague the euro after Thursday's news that Eurozone Dec new car registrations fell by the most in 17 months.

The GBP on Thursday faced challenges from a risk-averse market and elevated UK Consumer Price Index (CPI) for December, delaying expected rate cuts by the Bank of England. BoE remains cautious due to economic vulnerability and persistent inflation. The upcoming Retail Sales data expected later today will influence the GBP, with positive consumer spending likely reducing the chance of an early rate cut by the BoE.

The JPY remained on the back foot against its American counterpart during the early trading session on Friday and is well within the striking distance of its lowest level since November 28 touched earlier this week. The crucial Consumer Price Index data showed that inflation in Japan eased as expected in December. This, in turn, reaffirms market expectations that the Bank of Japan will stick to the ultra-dovish stance at its upcoming monetary policy meeting next week.

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

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