

DOMESTIC NEWS

The local currency remained steady versus the dollar on Monday.

Activity from both importers and exporters remained balanced throughout the trading session, limiting price action in the USD/KES pair, as volatility stayed at a minimum.

We expect the home unit to continue trading within a range in the short term guided by demand and supply.

Amounts "100,000"	Spot Rates		Forward Rates		
	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.70	134.20
EUR/KES	137.51	156.78	3 Months	127.10	135.60
GBP/KES	165.84	184.40	6 Months	129.20	137.70
JPY/KES	82.62	94.90	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.79%	9.74%	-5.00
91-Day T-bill	8.3231%	8.2927%	-3.04
182-Day T-bill	8.5750%	8.5642%	-1.08
364-Day T-bill	10.0026%	10.0000%	-0.26
Inflation Rate	3.62%	4.11%	+49.00

Source: Bloomberg



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INTERNATIONAL NEWS

The U.S. dollar weakened against a basket of currencies on Monday, moving in narrow ranges, as market participants consolidated gains racked up following Friday's better-than-expected U.S. employment report and shifted their focus to pivotal U.S.-China trade talks in London. The meeting of top officials from both countries intends to address disagreements around a preliminary pact struck last month in Geneva, briefly cooling tensions between the world's two largest economies.

The Euro regained lost ground on Monday with the US Dollar retreating ahead of the US-China trade talks. Hawkish comments by the ECB member, Peter Kazimir, provided some support to the common currency. The Eurozone economy is still facing downside risk, said Kazimir, but inflationary pressures are increasing, which, according to the ECB official, suggests that the bank would already be done with monetary easing, "if not at the end of the cycle."

Sterling rose against the dollar on Monday, as the greenback weakened after rallying on Friday on the back of a better-than-expected U.S. jobs report and investors eyeing a spending plan by Britain's government later this week. Investors will be monitoring a spending review that will set government departments' budgets up to 2029, covering most of the remainder of the Labour Party's term in office, while concerns persist around Britain's sovereign debt levels.

The Japanese Yen remained on the back foot against US Dollar in early Asian trading. The optimism over the ongoing US-China trade talks turns out to be a key factor undermining the safe-haven JPY. However, firming expectations that the BoJ will hike interest rates again hold back the JPY bears from placing aggressive bets

Indicative Deposit Rates			
Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	EURO
Call	6.10%	0.05%	0.10%
1 month	5.20%	0.10%	0.15%
3 months	5.20%	0.15%	0.25%
6 months	5.65%	0.20%	0.30%

Indicative Cross Rates		
CCY	Buy	Sell
EUR\USD	1.0800	1.1820
GBP\USD	1.2800	1.3800
USD\JPY	139.00	150.00