

DOMESTIC NEWS

The Kenyan Shilling held steady against the US dollar in yesterday's trading session.

A balance between foreign currency supply from various sectors and the rising demand from various sectors helped maintain the local unit steady. USD/KES closed at the same levels as the previous day.

In today's session, the home unit is expected to trade within its recent range, with the direction of the USD/KES pair influenced by activity from the respective counters.

Amounts	Spot Rates		Forward Rates		
"100,000"	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.70	134.20
EUR/KES	140.88	160.61	3 Months	127.10	135.60
GBP/KES	167.80	186.58	6 Months	129.20	137.70
JPY/KES	82.67	94.94	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.72%	9.72%	0.00
91-Day T-bill	8.179%	8.1687%	-1.03
182-Day T-bill	8.4948%	8.4761%	-1.87
364-Day T-bill	9.75%	9.7388%	-1.12
Inflation Rate	3.62%	4.11%	+49.00

Source: Bloomberg



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INTERNATIONAL NEWS

The US Dollar slid to a 3-year low yesterday, as risk sentiment remained upbeat following a U.S. brokered ceasefire between Israel and Iran with Trump signaling more nuclear talks with Iran next week. However, markets remain cautious as a US intelligence report stated that the attacks had only delayed Iran's nuclear program for a few months' casts doubt on a long-lasting peace. Weighing on the dollar further was U.S president continuing to call for lower interest rates and criticized Fed Chair Jerome Powell. A flurry of data releases today are likely to keep investors at bay as they await the U.S. Q1 GDP data, initial jobless claims, durables goods orders and Core PCE prices for Q1.

EUR/USD rallied to its highest level since October 2021 on Wednesday, driven by a risk-on mood sparked by the de-escalation of the Iran-Israel conflict and broad weakness in the US Dollar. Investors' growing speculation that the Federal Reserve will cut interest rates pushed the Greenback lower, setting it to test yearly lows.

GBP/USD gained more ground as the US Dollar waffles across the board, extending into a third straight day of firm gains and clipping its highest bids in four and a half years. Several central bank policymakers from both the Bank of England and the Federal Reserve made appearances through the first half of the week, and the trend is expected to continue through the remainder of the week.

The Japanese Yen stuck to its positive bias against a broadly weaker US Dollar during the early trading session today and traded near the top end of the weekly range heading into the European session. The Bank of Japan although had been hesitant to raise interest rates – is still expected to stay on the path of monetary policy normalization as inflation persistently exceeds its target. This marks a significant divergence in comparison to the Federal Reserve's latest projections of two rate cuts before the year-end, which contributed to the JPY's outperformance against its American counterpart.

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	1.1521	1.1522
GBP\USD	1.3490	1.3497
USD\JPY	145.42	145.45