

DOMESTIC NEWS

The Kenyan shilling traded flat against the US dollar during Tuesday's subdued session.

Limited trading activity led to balanced supply and demand dynamics in the market, resulting in minimal price movement.

The USD/KES pair is expected to remain range-bound in the near term, with direction in today's session likely dictated by flows from key market players and overall risk sentiment.

Amounts	Spot Rates		Forward Rates	
"100,000"	Opening		USD/KES	
	Buy TT	Sell TT		
USD/KES	125.00	133.50	1 month	125.70 134.20
EUR/KES	140.37	157.67	3 Months	127.10 135.60
GBP/KES	163.80	182.29	6 Months	129.20 137.70
JPY/KES	80.96	93.26	12 Months	133.40 141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.60%	9.59%	-1.00
91-Day T-bill	8.1168%	8.1106%	-0.62
182-Day T-bill	8.4186%	8.4095%	-0.91
364-Day T-bill	9.7193%	9.7178%	-0.15
Inflation Rate	3.80%	4.10%	+30.00

Source: Bloomberg



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INTERNATIONAL NEWS

The U.S. dollar was slightly weaker on Tuesday, remaining within striking distance of Friday's lows, with the market still in consolidation mode after a weak jobs report. The US ISM Services PMI survey results sank to 50.1 in July, flubbing an expected increase to 51.5 from 50.8. Separately, report released showed that the trade deficit narrowed to \$60.2 billion in June from \$71.7 billion in May. With no relevant market-moving US macro data, speeches from FOMC members today could influence the USD as investors pay attention to President Trump's nominations to the Fed Board and his choice for commissioner of the Bureau of Labor Statistics.

The EUR drifted lower during the early European session following release of Eurozone PMI data came in softer than expected. However, it edged modestly higher against the greenback during American hours. The HCOB Eurozone Composite PMI for July printed at 50.9, missing forecasts while the Services PMI eased to 51.0, below expectations. Germany's composite PMI rose to 50.6, beating forecasts while the Services PMI also ticked up to 50.6 from 50.1, suggesting fragile but gradually improving momentum. Separately, the Eurozone PPI rose 0.8 percent in June compared to May. Investors now await the June's Retail Sales data today.

The GBP traded broadly flat in yesterday's European session but registered modest gains during the North American session. Meanwhile, the UK S&P Global Services PMI fell to 51.8 from 52.8 in July, due to a decline in new orders according to data released yesterday. Market participants shift their focus to the BoE's monetary policy announcement tomorrow as well as BoE Governor's press conference to get cues on monetary policy action for the remainder of the year.

The Japanese Yen edged higher against the buck during today's Asian session. Rising expectations that BoJ will hike interest rates by the end of this year boosted the JPY although lingering uncertainty over the timing may limit aggressive bullish bets. On the economic front, data released today showed that nominal wages in Japan rose 2.5% YoY in June although it missed market expectations. Additionally, inflation adjusted real wages declined 1.3% from a year earlier, following a revised 2.6% drop in May.

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	1.1000	1.2200
GBP\USD	1.2900	1.4000
USD\JPY	140.00	154.00
USD\CHF	0.7700	0.8800