

**DOMESTIC NEWS**

The local unit held steady ground against the greenback ahead of Eid al-Adha holiday last week.

The session was characterized by a balanced interplay across the counters, witnessing matching demand and supply leaving the home unit unchanged from previous close.

The domestic unit continues to play within familiar ranges guided by demand and supply, as market looks for new factors to influence price movements.

Amounts "100,000"	Spot Rates		Forward Rate	
	Opening		USD/KES	
	Buy TT	Sell TT		Buy
USD/KES	125.00	133.50	1 month	125.70
EUR/KES	137.73	157.05	3 Months	127.10
GBP/KES	165.99	184.62	6 Months	129.20
JPY/KES	82.94	95.24	12 Months	133.40

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.88%	9.79%	-9.00
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


**INTERNATIONAL NEWS**

**Dollar Consolidates Post-Rally as Markets Pivot to U.S.-China Trade Negotiations.** The U.S. dollar maintained a broadly steady posture against major counterparts as initial exuberance sparked by a stronger-than-expected nonfarm payrolls report gave way to measured caution ahead of high-stakes U.S.-China trade discussions scheduled to take place in London later today. The negotiations come at a critical juncture for both economies, with China facing mounting deflationary pressures, while persistent trade uncertainty continues to weigh on U.S. business and consumer sentiment.

**EUR/USD remained range-bound** as the dollar found continued support from robust U.S. labor market data. Friday's jobs report, which topped consensus estimates, reinforced the view that the Federal Reserve is likely to hold rates steady over its next two policy meetings. In contrast, the European Central Bank is increasingly expected to proceed with rate cuts, limiting euro upside potential and keeping the pair under pressure.

**GBP/USD edged higher** but lacked strong directional momentum, stalling its corrective decline from its highest level since February 2022. While the greenback failed to fully capitalize on Friday's upbeat jobs data, the pound found marginal support. Additionally, Bank of England Governor Andrew Bailey remarked on emphasis on a gradual and cautious approach to policy normalization amid ongoing trade-related risks. This comments offered a modest tailwind for sterling.

**The Japanese Yen (JPY) remained on the front foot** through the Asian session amid the growing acceptance that the Bank of Japan (BoJ) will persist with its tightening cycle, reinforced by an upward revision to Japan's Q1 GDP figures, adding support to the yen. The bets were reaffirmed by an upward revision of Japan's Q1 GDP print. Adding to this, a modest US Dollar (USD) downtick post-payrolls dragged the USD/JPY pair away from over a one-week high touched on Friday.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	Tenor	KES	USD
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
USD\CHF	0.7700	0.8800

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