

## DOMESTIC NEWS

The home unit continued its week-long downward trend against the U.S dollar in a session that saw subdued market activity.

Demand for the buck from importers and corporates juxtaposed with paltry dollar inflows continued to weigh on the shilling during Thursday's session. The local unit closed the day marginally weaker.

Ahead of the weekend, market chatter alludes to range bound trading for the home unit, as activity is likely to remain contained ahead of the weekend.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	105.25	112.95
GBP/KES	144.71	154.81
EUR/KES	125.54	137.14
JPY/KES	101.68	110.98

Forward Rate(USD)(1 month)	
BUY	105.65
SELL	115.65
3 Months	
Buy	106.05
SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.53%	5.30%	-23.00
91-Day T-bill	6.895%	6.884%	-1.10
182-Day T-bill	7.479%	7.522%	+4.30
364-Day T-bill	8.363%	8.445%	+8.20
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

## INTERNATIONAL NEWS

The dollar drifted lower on Thursday in choppy trading, after Federal Reserve Chair Jerome Powell struck a dovish tone, stating the U.S. central bank is not raising interest rates anytime soon and rejecting suggestions the Fed might start reducing its bond purchases in the near term. The dollar had traded higher for most of Thursday's session, in line with a rise in Treasury yields, amid upbeat expectations about President-elect Joe Biden's fiscal stimulus. However, it changed direction but the losses were contained as Powell spoke.

The euro fell to a one-month low against the dollar in early U.S. trade on Thursday, then spent the rest of the session moving within a range as cross-currents ranging from Italian political angst rising jobless claims and comments from Fed Chair Jerome Powell made for choppy trading later in the New York trading session.

GBP/USD traded within relatively thin ranges amid broad USD weakness on Thursday. The fact that Covid-19 deaths have hit new record highs in recent days has not dented sentiment for the sterling, given that the number of new infections reported has started to drop.

In early Asian trading, USD/JPY saw downside as a function of USD weakness dropping back beneath the 104 level.

### Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	2.75%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.00%	0.35%	0.00%
6 months	5.25%	0.50%	0.00%

### Indicative Cross Rates

	Buy	Sell
EUR	1.1240	1.2940
GBP	1.2720	1.4350
JPY	99.65	114.50
CHF	0.8320	0.9330

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