

DOMESTIC NEWS

The local unit dipped slightly against its American counterpart in Tuesday's relatively active session.

Market witnessed some foreign currency demand from importers and corporates in mid-session that saw the USDKES currency pair close a paltry 5 cents higher than previous close.

Looking ahead, flows remain the main determinant for the direction of the local unit, and we expect it to trade within recent established ranges.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	103.95	112.30
GBP/KES	145.55	156.30
EUR/KES	121.70	133.05
JPY/KES	96.55	104.50

Forward Rate(USD)(1 month)	
BUY	106.20
SELL	112.95
3 Months	
Buy	106.75
SELL	115.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.30%	5.18%	+12.00
91-Day T-bill	7.024%	7.024%	+0.60
182-Day T-bill	7.765%	7.832%	+4.00
364-Day T-bill	9.071%	9.144%	+10.7
Inflation	5.62%	5.69%	+36.00



INTERNATIONAL NEWS

The dollar edged higher against some major currencies on Tuesday as market remained cautious while focusing on the Federal Reserve meeting ending today. While traders do not expect any change in the current monetary policy, what will be said about the run-up in bond yields will be of much interest, amid concerns around rising U.S. inflation.

The euro traded sideways against the dollar, although shortly boosted by the ZEW Economic Sentiment in both Germany and the broader Euroland that improved to 76.6 and 74.0 respectively for the month of March. Market now shift focus to European Central Bank president Lagarde's speech on Thursday.

The pound oscillated between gains and losses yesterday after investors worried about the suspension of the Oxford/AstraZeneca coronavirus vaccine in several European nations, while Bank of England Governor Bailey's commitment to further bond buys revealed concerns about the pace of Sterling's recovery.

The yen was a tad lower against the greenback this morning as upbeat U.S. economic outlook continued underpinning the U.S. dollar. Focus now shifts to Bank of Japan's meeting on Thursday.

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	1.1100	1.2700
GBP	1.3090	1.4490
JPY	101.15	113.15
CHF	0.8455	0.9755

ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING – CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication