

DOMESTIC NEWS

The Shilling lost a little ground against the U.S. dollar in what was another lackluster trading session on Wednesday.

Activity on the demand counter trumped minimal foreign currency inflows to nudge the domestic unit 5 cents lower by the day's close.

In the near term, we see the home unit on a slightly bullish trajectory as a lull in dollar demand continues to characterize the local FX market.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	101.45	109.70	101.35	111.45
GBP/KES	145.70	154.05	3 Months	
EUR/KES	123.80	132.50	Buy	101.85
JPY/KES	94.05	101.25	SELL	112.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.38%	4.45%	+7.0
91-Day T-bill	7.137%	7.104%	- 3.30
182-Day T-bill	7.818%	7.731%	- 8.70
364-Day T-bill	8.973%	8.648%	-32.50
Inflation	5.90%	5.76%	-14.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar rose sharply to a 6-week high late Wednesday after a hawkish Federal Reserve brought forward its projections for the first post-pandemic interest rate hikes into 2023, citing an improved economic situation. The committee committed to keeping the current bond-buying programme in place until "substantial further progress" was made on employment and inflation.

The EURUSD initially struggled for direction as it traded sideways early in the session. However, it later crashed to a 1-month low after the Fed's monetary policy decision.

Similarly, cable traded relatively flat during the session then later plummeted 0.66% after the Fed's decision. The pound was weighed further by Brexit jitters related to the Northern Ireland Protocol.

Strong buying sentiment in the U.S. dollar saw the yen collapse to multi-month lows in today's Asian trading session. The safe-haven currency was further pressurized by Bank of Japan's (BOJ) decision to extend its pandemic-relief programs to support the fragile Japanese economic recovery.

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	1.1180	1.2780
GBP	1.3185	1.4785
JPY	104.70	114.70
CHF	0.8405	0.9705

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