

DOMESTIC NEWS

The Kenyan Shilling traded on a stable footing against the U.S. dollar in the previous session, supported by a well-aligned balance between foreign currency demand and supply.

Market participants expect the USD/KES pair to remain range-bound in the near term, as current trading levels are underpinned by a fragile equilibrium between corporate demand for hard currency—primarily from importers—and sustained inflows from exporters and diaspora remittances.

We expect the home unit to continue trading within a range in the short term as flows continue to dominate the local FX scene.

Amounts "100,000"	Spot Rates		Forward Rates		
	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	126.00	132.00	1 month	126.50	134.20
EUR/KES	142.75	159.50	3 Months	127.10	135.60
GBP/KES	163.30	184.00	6 Months	129.20	137.70
JPY/KES	81.00	92.00	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.48%	9.44%	-4.00
91-Day T-bill	8.0799%	8.0107%	-6.92
182-Day T-bill	8.1732%	8.1195%	-5.37
364-Day T-bill	9.7130%	9.5824%	-13.06
Inflation Rate	3.82%	4.15%	+33.00

Source: Bloomberg



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INTERNATIONAL NEWS

Yesterday, the US Dollar climbed in late trading on Monday against most of its Group-of-10 peers after S&P Global Ratings affirmed 'AA+/A-1+' sovereign credit ratings for the US. The economic docket in the US will be less active this week but the key event will be this year's Jackson Hole central banking mega-event. Jackson Hole will kick off on Thursday, but the key event will be Fed Chair Jerome Powell's presentation at the symposium on Friday. Traders are looking for hints of a dovish tilt to solidify bets that the central bank will move borrowing costs lower by at least a quarter point in September.

The Euro was lower on Monday as positive news emerged from the meeting between Trump, Zelensky, and European leaders in the White House. Trump said that the day has been successful so far as Russia agreed to security guarantees, though in exchange for some territory. Trump added that he would like to arrange a tri-lateral meeting with the US, Ukraine, and Russia. Looking ahead, traders are awaiting data from the EU which include inflation and German GDP which are likely to sway sentiment and the European Central Bank (ECB) outlook.

The Sterling eased lower yesterday as geopolitics was setting the tone amid a scarce economic docket on both sides of the Atlantic. However, traders are awaiting inflation data from the UK due tomorrow, where core CPI is expected to stay unchanged at 3.7% YoY. This exerts pressure on the Bank of England (BoE), which is balancing the need to lower inflation with the need to support a weak labor market but supports the sterling as bets of further rate cuts may be pared.

Earlier in Tokyo, the Japanese Yen seesaws between tepid gains/minor losses against the USD amid mixed fundamental cues. Traders widely expect that the Bank of Japan (BoJ) will stick to its policy normalization path and hike interest rates by the end of the year and this will boost the Yen. However, the cautious market mood caps any meaningful upside for the safe-haven JPY.

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	1.1521	1.1522
GBP\USD	1.3490	1.3497
USD\JPY	145.42	145.45
USD\CHF	0.8165	0.8171