

DOMESTIC NEWS

The local unit remained stable against the greenback during Friday's relatively calm trading session.

The supply of foreign currency from various sectors in the economy balanced out demand, keeping the shilling unchanged from its opening level.

Ahead of the week, the Shilling is expected to trade within its recent range, with the direction of the USD/KES pair determined by activity from the respective counters.

Amounts "100,000"	Spot Rates		Forward Rates		
	Opening		USD/KES		
	Buy TT	Sell TT		Buy	Sell
USD/KES	125.00	133.50	1 month	125.70	134.20
EUR/KES	140.29	159.95	3 Months	127.10	135.60
GBP/KES	164.38	182.74	6 Months	129.20	137.70
JPY/KES	80.71	92.70	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.64%	9.64%	-0.14
91-Day T-bill	8.1421%	8.1283%	-1.38
182-Day T-bill	8.4404%	8.4310%	-0.94
364-Day T-bill	9.7218%	9.7276%	+0.58
Inflation Rate	3.80%	3.80%	0.00

Source: Bloomberg



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INTERNATIONAL NEWS

The U.S. dollar slipped on Friday but held onto weekly gains, as investors weighed signs that tariffs may increase some inflation pressures along coupled with continued criticism of Chair Jerome Powell by U.S. President Donald Trump on the monetary policy path the FED has chosen for the last two meetings. The Greenback remained supported by robust U.S. economic data last week, which lowered the odds of immediate interest rate cuts by the Fed. The University of Michigan's preliminary Consumer Sentiment Index for July rose to 61.8 from 60.7 in June, beating expectations of 61.5, reflecting cautious optimism among US households. The data added to signs of economic resilience, reinforcing the view that the Fed can afford to delay interest rate cuts. No major data is expected today.

The Euro was under pressure but closed 0.22% higher on Friday compared to the lows reached earlier in the week after Trump announced 30% tariffs on Europe, reigniting fears of a fresh transatlantic trade conflict. No major data is expected from the Eurozone today, but markets await key data releases on Thursday from French, German and Eurozone PMIs in the morning and then the European Central Bank (ECB) decision in the afternoon. Markets widely expect the central bank to keep rates unchanged.

The Pound Sterling remained flat against the U.S dollar with markets keeping a watch on trade related data as well as key economic releases to guide market direction. Data from the U.K. was scarce and, the latest jobs report came in slightly better than expected, after May's payroll figures were revised upward from -109K to -25K, alleviating some concerns about a weak labor market. This was a relief for the Bank of England (BoE), which continues to cope with high price pressures, as inflation remains above the 3% threshold.

The yen firmed on Monday after Japan's ruling coalition lost its majority in the upper house as investors braced for a period of policy paralysis and market disquiet in the world's fourth-largest economy ahead of a deadline on U.S. tariff negotiations. The Japanese markets are closed for the day leaving the yen as an indicator of investor angst, with trading so far suggesting the results were mostly priced.

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	1.0800	1.1820
GBP\USD	1.2800	1.3800