

## DOMESTIC NEWS

The movement of the home unit remained constrained within a narrow band during a relatively lethargic session.

The mid-week session saw limited activity across the various counters as key players remained on the side-lines, with the pair closing the day little changed.

Moving on, we see the domestic unit trading in a holding pattern against the dollar as market activity remains somewhat subdued.

Amounts	Spot Rates	
"100,000"	Opening	
	Buy TT	Sell TT
USD/KES	126.00	133.50
EUR/KES	141.56	161.40
GBP/KES	165.71	184.26
JPY/KES	81.51	93.61

Forward Rates		
USD/KES		
	Buy	Sell
1 month	125.70	134.20
3 Months	127.10	135.60
6 Months	129.20	137.70
12 Months	133.40	141.90

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Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.64%	9.61%	-0.83
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 US Dollar edged lower on Wednesday, extending its three-day slide as investors continue to tread cautiously ahead of the August 1 tariff deadline. Market sentiment has improved slightly following news of a trade agreement between the US and Japan. Data released yesterday showed that existing Home Sales in the US fell 2.7% in June to an annualized rate of 3.93 million units, missing expectations of 4.01 million. It's the slowest pace since September 2024, as rising mortgage rates and a record-high June median price of \$435,300 continue to sideline buyers. All eyes turn to Thursday's flash Purchasing Managers Index (PMI) release from the US. The data will offer fresh insight into manufacturing and services activity for July and could influence rate expectations heading into August. A softer US print may weigh on the Dollar, while a stronger-than-expected reading could reinforce hopes of a soft landing.

The Euro advanced during the North American session, up 0.16% against the dollar. The boost was seen after news that the European Union and the U.S. are heading towards a trade deal that would result in a broad tariff of 15% on EU goods imported into the U. while tariffs would be waived by both sides on some products. The EU economic docket revealed that Consumer Confidence improved to -14.5 from -14.7, though it remains well below its long-term average. The ECB takes center stage and is widely anticipated to leave its policy rates unchanged

GBP/USD climbed on Wednesday, posting strong gains for a third straight day. The dollar is taking a beating across the board, driven higher by broad-market expectations of last-minute trade deals with the Trump administration. Investors are eyeing Purchasing Managers Index (PMI) print to be released today.

The Japanese Yen remained steady against a broadly weaker US Dollar. The yen held to gains following more progress on trade deals between the United States and its largest trading partners, which in turn lifted the broader market mood. The trade deal has removed a key downside risk for the domestic economy, reviving bets for another interest rate hike by the Bank of Japan (BoJ) this year.

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	1.1000	1.2200
GBP\USD	1.2900	1.4000
USD\JPY	140.00	154.00
USD\CHF	0.7700	0.8800