

DOMESTIC NEWS

Imbalance between the demand and supply counters left the shilling a tad weaker against its U.S. counterpart in Monday's trading session.

Demand from the energy and manufacturing sectors during the day saw the home unit surrender to the greenback leaving the currency pair to shed five cents at the closing bell.

In the day ahead, the movement in the USDKES pair will be guided by the flows but a bearish bias for the local unit may be seen from end month dollar obligations.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	104.90	112.65
GBP/KES	144.55	154.65
EUR/KES	125.25	136.75
JPY/KES	102.45	111.75

Forward Rate(USD)(1 month)	
BUY	105.65
SELL	115.65
3 Months	
Buy	106.05
SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.25%	5.38%	+13.00
91-Day T-bill	6.884%	6.983%	+9.90
182-Day T-bill	7.522%	7.508%	-1.40
364-Day T-bill	8.445%	8.508%	+6.30
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

INTERNATIONAL NEWS

The dollar inched higher on Monday, ahead of the Federal Reserve's two-day meeting, which kicks off on later today. The fed's meeting is expected to culminate in a decision to keep rates on hold within the 0% to 0.25%. The pace of monthly bond purchases is expected to be maintained at monthly pace of \$120 billion. Investors will watch for forward guidance by the fed as well as other economic statistics such as jobless claims and jobs data later in the week.

The euro was down around 0.28% against the dollar as German business morale slumped to a six-month low in January and as a second wave of COVID-19 halted a recovery in Europe's largest economy. This is likely to further weigh on the euro as likelihood of the economy to stagnate in the first quarter.

Sterling strengthened against the greenback as Britain's COVID-19 vaccine rollout over the weekend offered support to the British currency. However, the strength was capped on broad based dollar strength.

Earlier today in Asia, the dollar was down against the yen amid ever-rising numbers of global COVID-19 cases and doubts over both the size and speed of further U.S. stimulus measures.

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	2.75%	0.25%	0.25%	0.00%
1 month	4.70%	0.25%	0.25%	0.00%
3 months	5.00%	0.35%	0.35%	0.00%
6 months	5.25%	0.50%	0.50%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.1210	1.2800
GBP	1.2690	1.4480
JPY	99.50	114.35
CHF	0.8350	0.9340

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