

DOMESTIC NEWS

The Kenyan shilling weakened slightly on Wednesday, pressured by strong dollar demand from importers amidst lacklustre inflows.

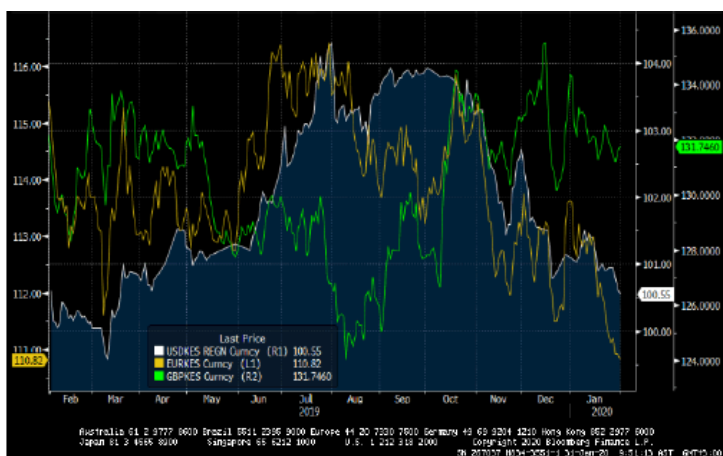
Foreign currency supply counters were sluggish while activity picked up on the demand side, tipping the scale against the home unit. However, activity remained muted through the day with the local unit closing 0.10pct weaker.

We expect the USDKES currency pair to remain range bound around current levels and flows to remain the main determinant in the direction for the USD/KES pair.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.80	111.20
GBP/KES	135.50	147.00
EUR/KES	120.50	132.80
JPY/KES	96.00	110.00

Forward Rate(USD)(1 month)	
BUY	102.00
SELL	111.60
3 Months	
Buy	102.50
SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.06%	3.02%	-24.00
91-Day T-bill	6.200%	6.257%	+5.70
182-Day T-bill	6.561%	6.600%	+3.90
364-Day T-bill	7.517%	7.508%	-0.90
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar edged higher in early European trade Wednesday, gaining back some recent losses, but these gains could be short-lived ahead of comments from Federal Reserve chair Jerome Powell from the annual Jackson Hole retreat later in the week.

Euro traded on the back foot against the dollar and sterling yesterday as rising covid cases outweighed stronger-than-expected German GDP data for the second quarter. The single currency managed to gain footing later in the New York trading session but gains remained well capped.

The pound continued to rack up gains against the dollar, shrugging off sinking hopes of progress on Brexit talks after Germany reportedly scrapped plans to continue negotiations. The fact there had been no progress made in trade talks has done little to prevent that pound from rallying midweek ahead of the Jackson Hole showdown.

The USD/JPY pair recovered around 20 pips from session lows and moved to the top end of its daily trading range, with bulls looking to extend the momentum beyond the 106.00 mark.

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	1.1240	1.2640
GBP	1.2520	1.3950
JPY	99.65	114.50
CHF	0.8320	0.9730

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