

DOMESTIC NEWS

The local currency held steady against the dollar during a quiet trading session on Tuesday.

Market activity was low, primarily influenced by corporate participants. The local unit continued to be supported by balanced buying and selling pressures.

In the short term, the domestic unit is expected to trade within a range, with its movement largely determined by flows from the major sectors.

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	140.45	159.30	3 Months	127.10	135.60
GBP/KES	162.40	183.45	6 Months	129.20	137.70
JPY/KES	80.25	92.45	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.44%	9.51%	+7.00
91-Day T-bill	8.0799%	8.0000%	-7.00
182-Day T-bill	8.1732%	8.0706%	-10.00
364-Day T-bill	9.5824%	9.5734%	-1.00
Inflation Rate	3.82%	4.15%	+33.00

Source: Bloomberg



ISSUED BY NCBA, NAIROBI P.O. BOX 30437, TEL 2884000, 2734555, 2734661-5 FAX # 2734616, REUTERS DEALING - CBAF, REUTERS INFORMATION CBAN. This Newsletter is produced as a service to our clients. It is prepared by our dealing professionals & is based on their understanding & interpretation of market events. The bank cannot however be held responsible for any losses of whatever nature sustained as a result of action taken based on comments contained in this publication

INTERNATIONAL NEWS

The U.S. dollar traded within a range against major global currencies on Tuesday. It initially weakened after US President Trump took the unusual step of dismissing Federal Reserve Governor Lisa Cook, sparking fresh worries about the Fed's independence. While markets were caught off guard by the announcement, investor reactions were relatively restrained, torn between fears of increased political influence on monetary policy and the potential market benefits of the decision. Positive data releases later, saw the dollar bid across. Reports showed that U.S. made capital goods increased more than anticipated last month, even as consumer confidence dipped slightly in August.

The EUR/USD pair climbed after a brief pause on Tuesday amid growing tensions between President Trump and the Federal Reserve. On the data front, French Consumer Confidence index printed a reading of 87, against a forecast of 90, and lower than the July reading of 88. In France, opposition parties refused to support Prime Minister François Bayrou in a confidence vote tied to severe spending cuts, raising the risk of government collapse which weighed on the Euro later during the New York trading session.

The GBP/USD pair traded within a range yesterday. Catherine Mann, a member of the Bank of England's Monetary Policy Committee, stated that the bank rate should be maintained steadily to counter inflation risks and that she is prepared to implement more significant rate cuts if the risks to economic growth increase. Given the UK economy is faring well, markets don't expect steep rate cuts for now.

The Japanese Yen weakened in the early Asian session on Wednesday. The media in Japan reported that chief trade negotiator, Akazawa, will return to the United States on Thursday to hold talks regarding Japanese investment in the US. Meanwhile, traders are anticipating key economic data releases later this week, including Japan's Tokyo Consumer Price Index (CPI) and Retail Trade figures scheduled for Friday.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		Tenor
	KES	USD	
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