

## DOMESTIC NEWS

The Kenya shilling held firm against the U.S. dollar on Tuesday.

Dollar inflows quenched foreign currency demand from interbank and corporate players for the majority of the session, subsequently leaving the USDKES currency pair unmoved

As we begin mid-week trading, we see a continued lull in market activity, consequently constraining the movement of the local unit within current ranges.

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	136.54	155.66	3 Months	127.10	135.60
GBP/KES	164.76	183.20	6 Months	129.20	137.70
JPY/KES	83.44	95.84	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.83%	9.80%	-3.00
91-Day T-bill	8.3699%	8.3231%	-4.68
182-Day T-bill	8.5831%	8.5750%	-0.81
364-Day T-bill	10.0022%	10.0026%	-0.04
Inflation Rate	3.62%	4.11%	+49.00

Source: Bloomberg



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## INTERNATIONAL NEWS

The greenback regained composure on Tuesday as US investors returned to their desks following Monday's Memorial Day holiday. On the data front, U.S. consumer confidence in May was much better than economists had expected. Minneapolis Fed President Neel Kashkari on Tuesday called for keeping interest rates steady until there is more clarity on how higher tariffs affect inflation, warning against "looking through" the impact of such supply price shocks.

The euro was undermined by data showing that French inflation fell to its lowest level since December 2020 in May. French inflation fell to its lowest level since December 2020 in May, driven by a sharper decline in energy prices and a slowdown in service costs. France's harmonized consumer prices, adjusted for comparison with other euro zone countries, increased 0.6% year-on-year in May, down from a 0.9% rise in April. That marked the lowest inflation rate yet this year and the lowest for France since December 2020 when prices were flat. U.S. President Donald Trump on Sunday dropped his threat to impose 50% tariffs on European Union imports from next month, which boosted risk appetite on Tuesday.

The British Pound slipped from a three-year high amid a modest rebound in the US dollar. That said, the British Pound's broader strength remains largely intact, underpinned by domestic factors that have altered market expectations around the Bank of England's (BoE) next moves.

In early Asian trading, USD/JPY pair rose 0.2% in the wake of reports that Japan will consider trimming issuance of super-long bonds after a sharp rise in yields in recent weeks. The focus will remain on the Japanese bond market, with an auction of Japan's longest-tenor bonds today a litmus test for appetite for that type of debt as investors weigh worsening finances of major government issuers. The longest-dated Japanese government bond yields soared to all-time highs last week after a poor 20-year debt auction. The yield on Japanese government bonds was slightly higher after a sharp dive in the previous session.

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
USD\JPY	139.00	150.00
USD\CHF	0.7700	0.8800