

DOMESTIC NEWS

The Kenya shilling ceded little ground to its U.S. counterpart in the first trading session of the week, as foreign currency demand edged out supply.

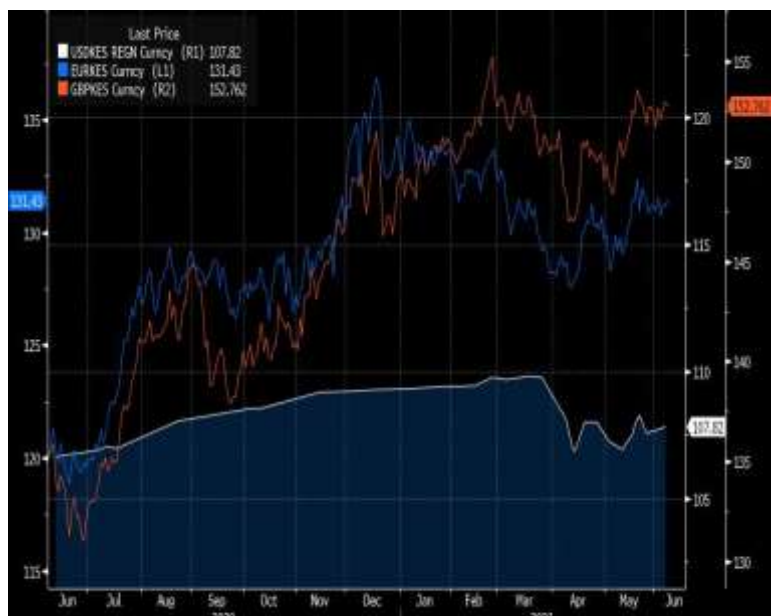
In a relatively lackluster session, the local unit held steady versus the greenback throughout the morning before a late flurry of activity on the demand counters from importers pushed the USD/KES pair 5 cents higher from its previous close.

Market chatter alludes to range bound trading, as flows continue to dictate the shilling's trajectory.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.45	109.70
GBP/KES	144.90	153.20
EUR/KES	122.95	131.60
JPY/KES	94.40	101.65

Forward Rate(USD)(1 month)	
BUY	101.75
SELL	110.70
3 Months	
Buy	102.35
SELL	112.70

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.10%	4.98%	+12.00
91-Day T-bill	7.000%	6.860%	- 14.00
182-Day T-bill	7.536%	7.317%	- 21.90
364-Day T-bill	8.105%	7.729%	-37.60
Inflation	5.76%	5.87%	+11.00



INTERNATIONAL NEWS

The U.S. dollar drifted higher on Monday in generally thin trading, with many investors on the sidelines ahead of Friday's U.S. nonfarm payrolls report, which could determine the path of the Federal Reserve's monetary policy. Market forecasts showed increased hiring of 690,000 jobs for June, compared with 559,000 in May, and lower unemployment at 5.7% versus 5.8 the previous month.

The dollar has been on an upward trajectory since the outcome of the Federal Open Market Committee meeting a few weeks ago, as Fed officials penciled in two rate hikes for 2023.

The EUR/USD pair was down 0.8% on the day as traders adopted a more risk-averse tone attributed to a spike in COVID-19 cases. The shared currency stands on slippery ground ahead of Germany and Switzerland publishing preliminary inflation figures for June and ECB President Christine Lagarde speech later this week.

Cable was down for the third straight session, failing to justify recently positive updates concerning Brexit as mixed news over the coronavirus disappointed buyers.

Earlier in Asia, the USD/JPY pair was down 0.03% extending the previous session's losses.

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	1.1105	1.2705
GBP	1.3180	1.4780
JPY	104.05	114.05
CHF	0.8485	0.9785

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