

DOMESTIC NEWS

The Kenya shilling traded within tight range on Friday to close a tad lower from the previous day.

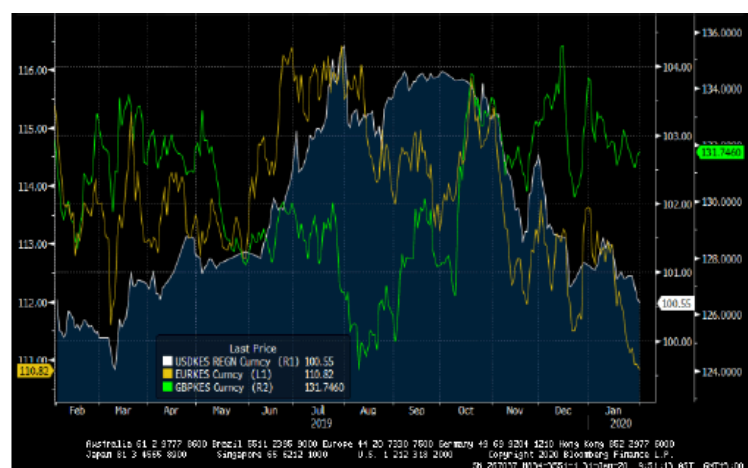
Increased flows as well as lackluster demand sustained the home unit. The regulator mopped KES 15Bn through a 7-day Term Auction Deposit further supporting the shilling.

Going forward, market chatter points to limited market activity with the USDKES currency pair expected to remain range bound around current levels.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	99.40	109.45
GBP/KES	125.22	136.55
EUR/KES	110.90	124.40
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	101.65
SELL	109.85
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.59%	5.89%	+1.00
91-Day T-bill	7.333%	7.259%	-7.40
182-Day T-bill	8.248%	8.060%	-18.80
364-Day T-bill	9.198%	9.030%	+16.80
Inflation	5.62%	5.47%	-15.00



INTERNATIONAL NEWS

The U.S. dollar traded higher on Friday gaining 0.5% against a basket of currencies owing to a rally in stocks. The market is monitoring a spike in coronavirus cases in the United States fearing that another outbreak could further damage the global economy. Jerome Powell's testimony to the senate banking committee is scheduled for this week

The euro fell 0.6% against the greenback sliding from the three-month high reached on Wednesday. Economic releases due this week will inform the market sentiment on the momentum of the single currency.

Sterling weakened on data showing Britain's economy contracted by 20.4% in April from March due to the tight coronavirus lockdown. This is likely the bottom of the crash before what is expected to be a long and slow recovery. Brexit negotiations and Bank of England policy meeting scheduled this week could influence the direction of the pound.

The yen rose 0.37% against the dollar ahead of the Bank of Japan policy meeting ending Tuesday. The market expects little change from the previous meeting however investors may concentrate on Governor Haruhiko Kuroda's views on growing interest in its yield curve control policy.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	3.00%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.25%	0.35%	0.00%
6 months	5.50%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1520
GBP	1.1800	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

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