

GLOBAL MARKETS

DAILY MARKET NEWS



Monday, May 4, 2026

Domestic Market Developments

Thursday's session saw the local unit hover within a restricted range against its American counterpart as foreign currency flows evened out.

Activity from both importers and exporters remained balanced throughout the trading session, limiting price action in the USDKES pair, as volatility stayed at a minimum. Ahead of the week, we expect the home unit to continue trading within a range in the short term guided by demand and supply.

International News

The US dollar slid as currencies showed limited reaction to U.S. President Donald Trump stating that the U.S. will launch an operation to aid ships passing through the Strait of Hormuz, and that indirect talks with Iran were continuing. The Iran war showed few signs of easing this week as relations between Tehran and Washington remained strained and at a deadlock. Concerns over the war's effect on oil prices and inflation have been a major point of support for the dollar. Focus this week is also on nonfarm payrolls data for April, due on Friday, for more cues on the U.S. economy.

Eurozone & UK markets

The euro edged higher against the dollar on Friday although Thursday's ECB meeting had limited impact on the single currency, with the 10-basis point drop in short-dated EUR swap rates attributed more to oil than to any policy signal.

The pound surged to a 10-week high on Friday, buoyed by a hawkish stance from the Bank of England and a broader unwinding of GBP net-speculative shorts. UK STIR markets are now pricing in two 25 basis point rate hikes from the BoE for 2026. Despite these supportive factors, the pound faces notable headwinds. UK 10-year gilt yields have risen above 5%, nearing conflict highs at 5.12%, raising concerns about the government's fiscal deficit.

Japan market

The yen strengthened suddenly against the US dollar today with markets on alert for action by authorities following suspected intervention by them last week to bolster the battered currency. The primary focus will be whether further intervention occurs, noting that Japan is closed for the Golden Week holiday and there will be thinner liquidity during this time.

Short-end market Rates

Country				
91 Day T-Bill	8.04%	10.00%	3.97%	8.31%
182 Day T-bill	8.21%	10.75%	5.36%	8.50%
364 Day T-bill	8.51%	12.00%	5.66%	8.95%
Inflation Rate	5.60%	2.80%	3.20%	7.70%
Interbank	8.75%	10.54%	6.50%	7.30%

Quotes on the major currencies.

	Buys	Sells
USD	125.00	133.50
EUR	141.28	162.64
GBP	163.52	184.31
CHF	154.05	174.78
JPY	75.28	86.44
ZAR	6.11	10.49
CAD	87.10	101.85
UGX	0.0269	0.0539
TZS	0.0429	0.0649
AED	30.63	41.80
RWF	0.0511	0.1292

Indicative Deposit rates

	Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP	
Call	2.85%	0.70%	0.0%	
1 month	4.30%	1.90%	0.00%	
3 months	4.60%	1.90%	0.00%	
6 months	4.70%	1.90%	0.15%	

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