

GLOBAL MARKETS

DAILY MARKET NEWS



Thursday, May 7, 2026

Domestic Market Developments

The Kenya shilling remained flat against the U.S. dollar on Wednesday amid balanced market demand and supply.

Investors remain largely cautious and in a wait-and-see mode, anticipating new economic indicators, policy cues, or external developments that could provide clearer guidance for the currency's short-term direction.

International News

The dollar weakened broadly on Wednesday as investors became more hopeful that the Iran conflict might be nearing an end. A source from mediator Pakistan who is familiar with the negotiations said Washington and Tehran were closing in on an agreement on a one-page memorandum to end the conflict. The dollar index which measures the U.S. currency against six peers, was 0.3% lower at 97.993, after slipping to 97.623, its lowest since before the late February U.S. strikes on Iran that started the conflict. On the data front, U.S. private payrolls climbed more than anticipated in April, according to Wednesday's ADP National Employment Report. Attention is now shifting to the U.S. nonfarm payrolls data due later this week.

Eurozone & UK markets

EUR/USD drew support from renewed optimism over a potential Iran peace deal, but the pair remained stuck within the well-established ranges, with significant diplomatic hurdles still ahead. Focus now turns to Iran's response to the US proposal expected within the next 48 hours, which is likely to set the tone going forward.

GBP/USD climbed sharply supported by improving Middle East peace prospects that weighed on the U.S. dollar, as US Treasury yields fell and oil prices dropped by nearly 7%. The pound faces potential headwinds from today's UK local elections, along with heightened political scrutiny surrounding Prime Minister Keir Starmer and the Mandelson controversy.

Japan market

In early Asian trading, the Japanese Yen continued to draw support from speculations that authorities will step in again to prop up the domestic currency and the Bank of Japan's (BoJ) hawkish outlook. Masato Mimura said Japanese authorities are closely monitoring foreign exchange markets and signaled possible intervention to address excessive currency movements.

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%	10.29%	6.29%	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

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

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