

GLOBAL MARKETS

DAILY MARKET NEWS



Friday, May 8, 2026

Domestic Market Developments

The Kenyan shilling traded steadily against the US dollar on Thursday as market demand and supply stayed relatively balanced.

Market participants remained cautious and adopted a wait-and-watch approach, looking ahead to fresh economic data, policy signals, or external factors that could offer clearer direction for the currency's near-term outlook.

International News

The US dollar erased earlier losses as markets reacted to mixed developments over a possible US-Iran peace agreement. Initial optimism about easing Middle East tensions and reopening the Strait of Hormuz faded after reports showed key disputes over sanctions, maritime access, and security remain unresolved, with Iran rejecting parts of the US proposal. Meanwhile, US labor market data stayed relatively strong, as Initial Jobless Claims rose slightly to 200K but remained below expectations, while Continuing Claims fell to 1.766 million, supporting confidence in the resilience of the US economy ahead of the Nonfarm Payrolls report.

Eurozone & UK markets

EUR/USD eased from intraday highs on Thursday as evolving geopolitical developments surrounding tensions in the Middle East helped the USD and Oil prices recover some of their recent losses. ECB policymaker Isabel Schnabel warned that policy "will need to tighten if the energy shock spreads," adding that the ECB would take the "necessary steps to restore inflation to 2%."

GBP/USD declined about 0.3% on Thursday after giving up earlier gains from a session high. Meanwhile, millions of Britons voted in local and regional elections that could weaken Prime Minister Keir Starmer's Labour Party and increase doubts about his leadership. The elections, involving nearly 5,000 council seats and parliamentary races in Scotland and Wales, also highlighted rising support for populist and nationalist parties, potentially challenging Britain's long-standing two-party political system.

Japan market

The yen remained relatively stable against the US dollar as traders closely watched recent market interventions and warnings from Tokyo, which helped limit further declines in the currency. Japanese officials also reaffirmed their commitment to supporting the yen, saying Japan faces no restrictions on how often it can intervene in foreign exchange markets.

Short-end market Rates

Country				
91 Day T-Bill	8.19%	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

	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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