

GLOBAL MARKETS

DAILY MARKET NEWS



Tuesday, May 12, 2026

Domestic Market Developments

The Kenyan shilling remained stable against the US Dollar on Monday in a trading session marked by balanced demand and supply flows in the foreign exchange market. In the short term, the currency is expected to trade within a narrow range barring any significant economic or geopolitical developments.

International News

The dollar edged slightly higher on Monday after U.S. President Donald Trump dismissed Iran's reply to a U.S. peace proposal. The development sustained fears that the conflict could continue for longer, pushing oil prices upward. Trump stated that the ceasefire with Iran was "on life support" after rejecting Tehran's response to the peace offer, increasing concerns that fighting in the 10-week conflict could resume. U.S. crude prices climbed 3.37% to \$98.64 per barrel, while Brent crude gained 3.38% to reach \$104.71 per barrel. The rise followed Trump's description of Iran's proposal as "unacceptable," which intensified worries about oil supply disruptions as the Strait of Hormuz remained mostly shut.

Eurozone & UK markets

EUR/USD remained under mild pressure after a turbulent start to the week, as investors continued to monitor geopolitical tensions in the Middle East. Market movements were largely influenced by fluctuations in the US Dollar (USD) and rising Oil prices. With energy costs climbing and inflation concerns intensifying, markets are increasingly anticipating tighter monetary policy from major central banks. Traders are currently pricing in at least two interest rate increases from the European Central Bank before the end of the year, while expectations suggest the Federal Reserve will likely keep rates unchanged for the remainder of the year.

The Pound Sterling remained relatively steady against the US Dollar during Monday's North American trading session, slipping just 0.06%. Pressure on UK Prime Minister Keir Starmer increased after his party suffered setbacks in local elections. Despite the political uncertainty, the currency pair stayed within a limited range as speculation grew that Starmer could potentially face removal from office in September.

Japan market

The USD/JPY pair rose by 0.25% during Monday's European session. The pair strengthened as the Japanese Yen (JPY) weakened broadly, pressured by increasing concerns about Japan's economic outlook amid rising oil prices.

Short-end market Rates

Country				
91 Day T-Bill	8.19%	10.50%	3.83%	8.29%
182 Day T-bill	8.21%	11.00%	5.27%	8.45%
364 Day T-bill	8.51%	12.24%	5.68%	8.83%
Inflation Rate	5.60%	3.00%	4.00%	7.70%
Interbank	8.75%	10.15%	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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