

GLOBAL MARKETS

DAILY MARKET NEWS



Wednesday, May 13, 2026

Domestic Market Developments

The Kenyan shilling held steady against the U.S. dollar on Tuesday as foreign exchange market activity remained balanced, with demand and supply flows largely matching each other throughout the trading session. In the near term, the local currency is expected to remain rangebound, notwithstanding significant economic events.

International News

The U.S. dollar strengthened for the second consecutive day on Tuesday after fresh economic figures showed inflation rising rapidly in the United States. Concerns about the stability of the ceasefire in the Iran conflict also increased demand for the dollar as a safe-haven currency. According to the Labor Department, the Consumer Price Index (CPI) climbed by 0.6% last month, in line with economists' expectations, following a sharp 0.9% increase in March. On an annual basis through April, CPI rose 3.8%, the largest yearly gain since May 2023 and slightly above forecasts of 3.7%, compared with a 3.3% increase recorded in March.

Eurozone & UK markets

EUR/USD was pressured by broad dollar strength following hotter than expected inflation data from the US. Meanwhile, in Europe, hawkish comments from European Central Bank (ECB) policymakers may provide support for the Euro. On Wednesday, Bundesbank President Joachim Nagel stated that the likelihood of the ECB raising interest rates because of the Iran conflict is increasing.

The Pound Sterling weakened on Tuesday, facing renewed pressure as political tensions in the UK intensified. More than 70 Labour MPs openly called for Prime Minister Keir Starmer to step down following significant losses in local elections. At the same time, UK government bonds sold off sharply, with the 30-year gilt yield briefly climbing to 5.81%, its highest level since 1998 amid concerns that a possible change in leadership could lead to more expansionary fiscal policies.

Japan market

The USD/JPY pair rose by 0.26% during Tuesday's European session, supported by broad strength in the U.S. dollar as renewed tensions between the United States and Iran boosted demand for the greenback. Earlier in the day, however, the pair briefly pulled back after the Japanese yen strengthened sharply. The move followed comments from U.S. Treasury Secretary Scott Bessent, who confirmed that the United States and Japan are working together to address excessive volatility in foreign exchange markets.

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

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%	0.05%
3 months	4.60%	1.90%	1.90%	0.05%
6 months	4.70%	1.90%	1.90%	0.20%

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