

GLOBAL MARKETS

DAILY MARKET NEWS



Friday, May 15, 2026

Domestic Market Developments

The Kenyan shilling posted a slight decline against the U.S. dollar on Thursday, pressured by strong corporate dollar demand, outweighing supply. The local unit ended the session a few cents weaker.

In the money markets, treasury bill yields rose across the 3 tenors, as investors priced in rising inflationary pressures with the 91-day paper rising the highest by 12 basis points to 8.31%

Ahead of the weekend, the domestic unit is expected to trade within its recent range, with the direction of the USD/KES pair influenced by activity from the respective counters.

International News

The U.S. dollar rose for a fourth consecutive day on Thursday supported by fresh economic data. According to the Commerce Department, retail sales increased by 0.5% in April, matching economists' forecasts. Additional data showed import prices rose 1.9% in April, exceeding forecasts and marking a sharp increase driven largely by higher fuel costs. As inflation pressures persist and oil prices remain elevated due to tensions involving Iran and disruptions around the Strait of Hormuz, financial markets have mostly ruled out the possibility of a Fed rate cut this year.

Eurozone & UK markets

The EUR/USD pair faced renewed pressure on Thursday on broad dollar strength, as the U.S. dollar gained further after positive developments emerged from Thursday's meeting between U.S. President Donald Trump and Chinese President Xi Jinping, where both leaders reiterated their push for the Hormuz strait to remain open.

The British pound weakened yesterday amid growing political uncertainty surrounding U.K. Prime Minister Keir Starmer. Tensions increased after the Labour Party suffered major losses in the 7 May local elections, followed by the resignation of four cabinet ministers during the week. Despite stronger-than-expected economic figures from the United Kingdom, the pound failed to recover. First-quarter GDP expanded by 0.6%, matching forecasts, while annual growth reached 1.1%, surpassing expectations of 0.8%. In addition, March manufacturing production rose by 1.2% month-on-month, far above the expected decline of 0.2%.

Japan market

The Japanese yen weakened against the U.S. dollar in the early Asian session on Friday. The decline came amid rising inflationary pressures. Bank of Japan board member Kazuyuki Masu signaled support for an early rate hike, warning that inflationary risks tied to geopolitical instability are becoming increasingly entrenched.

Short-end market Rates

Country				
91 Day T-Bill	8.31%	10.50%	3.83%	8.29%
182 Day T-bill	8.21%	11.00%	5.27%	8.45%
364 Day T-bill	8.56%	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%		0.0%
1 month	4.30%	1.90%		0.05%
3 months	4.60%	1.90%		0.05%
6 months	4.70%	1.90%		0.20%

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