

GLOBAL MARKETS

DAILY MARKET NEWS



Tuesday, June 2, 2026

Domestic Market Developments

The Kenyan Shilling remained stable against the US Dollar, with market activity marked by a balanced interplay between foreign currency demand and supply.

The USD/KES exchange rate is expected to continue trading within a narrow range as market movements remain largely driven by prevailing demand and supply dynamics

International News

The U.S. dollar strengthened on Monday, recovering from a modest decline recorded the previous week, as investors assessed the latest developments in Middle East diplomacy. Tensions escalated after the United States and Iran exchanged attacks over the weekend, casting doubt on ongoing efforts to secure a peaceful resolution to the conflict.

Meanwhile, currency markets remained cautious as traders monitored developments following reports that the U.S. military targeted Iranian air defense systems over the weekend.

Eurozone & UK markets

During the Asian session on Monday, EUR/USD traded marginally lower from last week. The decline was driven by a slight strengthening of the US Dollar, with traders adopting a cautious stance ahead of several significant US economic indicators due this week.

The GBP/USD pair edged higher during Monday's Asian session, trading in positive territory. However, gains in the currency pair could remain limited amid renewed geopolitical tensions in the Middle East, following reports that Iran has stepped back from negotiations with the United States.

Japan market

The USD/JPY currency pair moved higher during Monday's early European session, supported by broad weakness in the Japanese Yen. The Yen came under pressure as markets remained uncertain about whether the Bank of Japan will increase interest rates at its June 16 policy meeting.

Despite this uncertainty, the Bank of Japan's Summary of Opinions from its meeting indicated that most policymakers favor raising interest rates in the near future, while also expressing concerns about persistent inflationary pressures and the risks of higher inflation.

Short-end market Rates

Country				
91 Day T-Bill	8.39%	10.50%	3.83%	8.29%
182 Day T-bill	8.25%	11.00%	5.27%	8.45%
364 Day T-bill	8.63%	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	140.61	162.59
GBP	162.33	183.43
CHF	156.03	173.64
JPY	74.81	86.18
ZAR	6.60	10.23
CAD	86.58	99.62
UGX	0.0265	0.0496
TZS	0.0424	0.0638
AED	33.35	38.86
RWF	0.0679	0.1287

Indicative Deposit rates

Tenor	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	GBP
Call	2.70%	0.70%		0.0%
1 month	4.55%	1.30%		0.00%
3 months	4.55%	1.30%		0.00%
6 months	4.40%	1.35%		0.15%

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