

GLOBAL MARKETS

DAILY MARKET NEWS



Wednesday, June 3, 2026

Domestic Market Developments

The Kenya shilling traded within a narrow band against the U.S. dollar during Tuesday's relatively quiet session, with balanced demand and supply conditions prevailing across the foreign exchange market. Looking ahead, the shilling is expected to remain stable against the dollar, with market flow dynamics likely to determine its direction.

International News

The U.S. dollar traded within a tight range on Tuesday as investors closely monitored developments surrounding a possible agreement to reopen the Strait of Hormuz. A deal between the United States and Iran to restore access to the key shipping route would likely ease pressure on the currencies of major oil-importing economies, including Japan and the euro area, while also diminishing the dollar's appeal as a safe-haven asset.

Meanwhile, oil prices edged higher, with market participants remaining cautious about reports of progress toward ending the U.S.-Israeli conflict involving Iran, citing concerns over the durability of the ceasefire reached between Washington and Tehran in April.

Eurozone & UK markets

The EUR/USD currency pair edged lower to around Tuesday's Asian session. The pair came under slight pressure as the U.S. dollar strengthened modestly, while investors remained cautious ahead of important U.S. economic data releases scheduled for later in the week.

GBP/USD was little changed after posting gains for four consecutive sessions. The pair remained steady as the U.S. dollar held firm, supported by safe-haven demand amid stalled U.S.-Iran negotiations and escalating geopolitical tensions in the Middle East.

Japan market

The USD/JPY pair remained in a bullish consolidation pattern on Wednesday, trading within a tight range just below a key psychological level and near a one-month peak reached during the Asian session. Comments from Japan's Finance Minister, Satsuki Katayama, provided some support to the Japanese yen, while muted movement in the U.S. dollar helped limit further gains in the pair.

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%	0.70%	0.0%
1 month	4.55%	1.30%	1.30%	0.00%
3 months	4.55%	1.30%	1.30%	0.00%
6 months	4.40%	1.35%	1.35%	0.15%

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