

GLOBAL MARKETS

DAILY MARKET NEWS



Friday, June 12, 2026

Domestic Market Developments

The Kenya shilling ceded ground against the dollar in Thursday's local FX trading as foreign currency demand continued to outweigh supply. Overall, the currency pair is likely to trade around current levels as market participants watch for new catalysts to guide the shilling's near-term direction.

International News

The dollar declined against major peers on Thursday after President Donald Trump called off plans for renewed U.S. military strikes on Iran at the last minute, saying negotiations with Tehran were heading towards a possible deal. Meanwhile markets ignored the hot US producer prices which increased more than expected in May, leading to the highest level since November 2022. The US PPI climbed to 6.5% YoY in May, hotter than the market expectation of 6.4%. On a monthly basis, the PPI rose by 1.1% in May, above the market consensus of 0.7%. Traders eye the preliminary reading of the Michigan Consumer Sentiment Index for June due later in the day.

Eurozone & UK markets

The EUR/USD pair struggled near two-month lows on Thursday as traders showed muted reaction to the latest ECB interest rate decision. The Euro, however, failed to capitalize on the decision as renewed threats from US President Donald Trump against Iran lifted the US Dollar. As widely expected, the ECB decided to raise the key interest rates for the first time since 2023 from 2.0% to 2.25%. The ECB also hiked its main refinancing operations rate to 2.40% and its marginal lending facility rate to 2.65%. ECB President Lagarde said that the war in the Middle East is generating inflation pressures, and the decision to raise rates is robust across a range of scenarios mapping out how the shock might evolve and affect the eurozone's medium-term outlook.

The Pound traded within a narrow range in a positive bias on Thursday after the latest US inflation report reflected the impact of the Iran war on producer prices, while an escalation of hostilities between Washington and Tehran triggered a recovery in Oil prices. Traders are eyeing the release of Gross Domestic Product figures today.

Japan market

The USD/JPY pair attracted fresh buyers during today's Asian session and moves away from a one-week low touched the previous day. Hotter-than-expected US PPI data provided some support to the US Dollar against the JPY. Investors look forward to the Bank of Japan's policy meeting next week.

Short-end market Rates

Country				
91 Day T-Bill	8.71%	10.50%	7.49%	8.00%
182 Day T-bill	8.60%	11.12%	8.47%	8.07%
364 Day T-bill	8.87%	12.00%	8.91%	8.59%
Inflation Rate	6.68%	3.00%	4.2%	7.70%
Interbank	8.75%	10.03%	6.31%	7.30%

Indicative quotes on the major currencies.

	Buys	Sells
USD	126.50	132.00
EUR	141.59	160.55
GBP	163.09	180.66
CHF	152.32	172.81
JPY	74.73	85.81
ZAR	6.22	10.66
CAD	84.99	99.37
UGX	0.0265	0.0532
TZS	0.0426	0.0647
AED	30.63	41.80
RWF	0.0510	0.1290

Indicative Deposit rates

	Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP	
Call	3.35%	0.70%	0.0%	
1 month	5.30%	1.90%	0.00%	
3 months	5.30%	1.90%	0.00%	
6 months	5.25%	1.95%	0.15%	

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