

GLOBAL MARKETS

DAILY MARKET NEWS



Tuesday, June 16, 2026

Domestic Market Developments

The Kenyan shilling opened the week on a steady footing against the U.S. dollar, with subdued trading keeping price action muted. Balanced demand from importers and exporters offset one another, leaving the pair largely unchanged by the close. The home unit is expected to remain range-bound in the near term.

International News

The U.S. dollar retreated against its major peers on Monday after a preliminary agreement to end the U.S.-Iran conflict sent oil prices and Treasury yields lower, sapping demand for the safe-haven greenback. The deal, set to be formally signed in Switzerland on June 19, reportedly covers the lifting of naval blockades, a rollback of sanctions on Iran, and the dismantling of Tehran's nuclear programme. Focus now shifts to a busy week of central bank decisions, including the BoE and the US Fed. The Fed's maiden policy meeting under new Chair Kevin Warsh is widely expected to hold its policy rates on Wednesday, though may signal a shift away from its easing bias.

Eurozone & UK markets

The euro advanced 0.41% as risk appetite improved in the wake of the U.S.-Iran agreement. The subsequent slide in oil prices helped temper inflationary expectations and dialed back bets on aggressive monetary tightening. ECB President Christine Lagarde welcomed the news but cautioned against premature optimism, pointing to a history of past dashed hopes and emerging second-round inflationary effects stemming from the conflict.

Sterling edged up 0.22% on Monday, lifted by the U.S.-Iran ceasefire, before surrendering its gains to close flat. Attention now turns to a pivotal week for UK markets, with key inflation, employment, and retail sales data all due, alongside the Bank of England's rate decision and Thursday's closely watched Makerfield by-election. The BoE is broadly expected to hold rates at 3.75% in a split vote, as policymakers weigh persistently elevated inflation against a softening labour market and sluggish economic growth.

Japan market

The Japanese yen pared early gains against the dollar on Tuesday, following the Bank of Japan's widely expected decision to lift its benchmark rate by 25 basis points to 1%. The move left investors cautious about renewed intervention from Tokyo authorities, while even the prospect of a peace agreement appeared unlikely to meaningfully shore up the under-pressure currency.

Short-end market Rates

Country				
91 Day T-Bill	8.71%	10.50%	3.57%	8.00%
182 Day T-bill	8.60%	11.12%	5.04%	8.07%
364 Day T-bill	8.87%	12.00%	6.38%	8.59%
Inflation Rate	6.68%	3.00%	4.20%	7.70%
Interbank	8.75%	9.95%	5.75%	7.30%

Indicative quotes on the major currencies.

	Buys	Sells
USD	126.50	132.00
EUR	141.4	160.10
GBP	163.50	180.05
CHF	152.32	172.81
JPY	74.73	85.81
ZAR	6.22	10.13
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

Tenor	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	GBP
Call	3.35%	0.70%	0.70%	0.0%
1 month	5.45%	1.90%	1.90%	0.00%
3 months	5.45%	1.90%	1.90%	0.00%
6 months	5.35%	2.00%	2.00%	0.10%

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