

# GLOBAL MARKETS

## DAILY MARKET NEWS



**Wednesday, June 17, 2026**

### Domestic Market Developments

The shilling weakened slightly against the US Dollar on Tuesday. The session was characterized by a balanced interplay between foreign currency demand and supply counters, with the local unit closing the day a tad weaker. The USD/KES pair is forecast to hold within its current range, with its path continuing to be set by fundamental market flows.

### International News

The dollar was modestly weaker on Tuesday on continuing optimism over a peace deal with Iran while investors awaited the conclusion of the Federal Reserve's policy meeting later in the day. The central bank is widely expected to leave interest rates unchanged at its first meeting under new chair Kevin Warsh. Still, policymakers face a challenging backdrop, with recent inflation data coming in hotter than expected as the conflict with Iran drove energy prices higher.

### Eurozone & UK markets

The euro rose to its highest since early June, as investors embraced riskier assets after the US and Iran agreed to end their three-month conflict. The plunge in oil prices eased inflationary pressures and trimmed rate hike expectations, with markets now pricing approximately 30 basis points of additional ECB tightening this year — equivalent to one rate increase — down from nearly two prior to last Thursday's hike.

Sterling found modest support on June 16 from the ceasefire optimism and Hormuz reopening. With the Bank of England's policy meeting approaching on Thursday, markets broadly anticipate that interest rates will be maintained at 3.75% in a divided vote. Markets might turn cautious later in the day ahead of the UK Consumer Price Index (CPI) inflation data and the US Federal Reserve (Fed) interest rate decision.

### Japan market

The yen found little respite against a weaker greenback on Wednesday, remaining under pressure despite stronger-than-expected trade data and a recent interest rate increase by the central bank. Official figures showed Japan's exports surged 17% year-on-year in May, the fastest pace since November 2022, supported by robust demand for automobiles and semiconductors. The data followed the Bank of Japan's decision on Tuesday to raise its policy rate by 25 basis points to 1% in an effort to contain inflation and support the weakening 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	141.43	160.22
GBP	163.61	180.18
CHF	152.32	172.81
JPY	74.61	85.68
ZAR	6.19	10.11
CAD	85.03	99.42
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%		0.0%
1 month	5.45%	1.90%		0.00%
3 months	5.45%	1.90%		0.00%
6 months	5.35%	2.00%		0.10%

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