

GLOBAL MARKETS

DAILY MARKET NEWS



Thursday, June 18, 2026

Domestic Market Developments

The mid-week trading session saw the dollar retreat marginally after the Kenya Shilling went on offensive and managed to salvage some few units. Market activity was subdued with both demand and supply counters sizing each other out. Later in the session, strong foreign currency inflows tipped the scale slightly in favor of the local unit by the closing bell.

International News

The dollar strengthened across the board on Wednesday after the Federal Reserve left benchmark interest rates unchanged, as widely expected. However, policymakers' projections were interpreted as more hawkish than anticipated, with roughly half of FOMC members expecting at least one rate hike later this year amid growing concerns about inflation. The Fed also sharply revised upward its inflation forecasts to 3.6% from 2.7%. The dollar showed little reaction to data released on Wednesday showing U.S. retail sales increased 0.9% mom in May 2026, higher than a downwardly revised 0.4% rise in April and above forecasts of 0.5%, signaling a robust consumer spending.

Eurozone & UK markets

The euro fell to its lowest level since late March, as the US dollar strengthened broadly following the Fed's latest monetary policy decision. In Europe, the ECB raised interest rates by 25 basis points last week, in line with expectations, as it continues to combat elevated inflation.

The British pound edged lower as investors digested a softer-than-expected inflation report ahead of the Bank of England's monetary policy decision today. UK consumer price inflation unexpectedly held steady at 2.8% in May, below expectations of a rise to 3%. The central bank is widely expected to leave its benchmark interest rate unchanged at 3.75% this month as it balances still-elevated inflation against a weakening labor market and an economic contraction in April.

Japan market

The Japanese yen remained on the back foot on Thursday as broad dollar strength continued to weigh on the currency, erasing all of the gains secured during Tokyo's record intervention on April 30. The renewed slide drew a swift response from Japanese authorities, who reiterated their readiness to act in support of the yen.

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	141.02	160.08
GBP	163.11	180.09
CHF	152.32	172.81
JPY	74.58	85.44
ZAR	6.66	10.24
CAD	85.18	97.13
UGX	0.0265	0.0512
TZS	0.0426	0.0632
AED	30.63	41.80
RWF	0.0680	0.1284

Indicative Deposit rates

	Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	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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