

GLOBAL MARKETS

DAILY MARKET NEWS



Friday, June 19, 2026

Domestic Market Developments

The domestic currency remained resolute against the U.S. dollar on Thursday, closing the session unchanged as balanced flows between foreign currency sellers and dollar buyers kept price action contained within a tight range. Heading into the weekend, we expect the local currency to remain trapped within the current range, with the direction of the USD/KES pair remaining mostly flow driven.

International News

The U.S. dollar index extended its winning streak to a second consecutive session on Thursday, touching 100.8 and marking its strongest level since May 2025, as investors ramped up bets on further Fed tightening following a hawkish signal from the Federal Reserve. The supportive monetary policy backdrop continued to underpin the greenback, even as geopolitical risk appetite improved modestly on the back of the preliminary U.S.-Iran accord aimed at ending hostilities in the Middle East. On the data front, Initial Jobless Claims declined to 226K for the week ending June 13, from an upwardly revised 230K prior, while Continuing Claims ticked higher to 1.81M. U.S. markets are closed in observance of Juneteenth.

Eurozone & UK markets

The euro slipped to a fresh two-month low against the U.S. dollar, weighed down by a combination of dollar strength on the back of Fed tightening expectations and persistent headwinds from Germany's sluggish economy.

Sterling fell to its lowest level since April 3 after the Bank of England voted 7-2 to hold rates at 3.75%, in line with market expectations. Policymakers struck a cautious tone, citing lingering uncertainty over the economic fallout from the Middle East energy shock. The MPC trimmed its peak inflation forecast to 3.25% for Q4 2026, down from 3.6% previously. Investors are also keeping a close eye on the Makerfield by-election results.

Japan market

The Japanese yen hovered near a four-decade low in early Asian trading on Friday, remaining under persistent downward pressure despite the Bank of Japan's rate hike earlier in the week. With U.S. and much of Asian markets closed for public holidays, thinning liquidity could once again create conditions for Japanese authorities to intervene, echoing their actions during the late April and early May holiday period when Tokyo deployed approximately 11.7 trillion yen (\$72.54 billion) to support the currency.

Short-end market Rates

Country				
91 Day T-Bill	8.82%	10.50%	3.57%	8.00%
182 Day T-bill	8.78%	11.12%	5.04%	8.07%
364 Day T-bill	8.97%	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	140.91	160.08
GBP	161.16	179.94
CHF	152.23	168.66
JPY	74.58	85.04
ZAR	6.58	10.06
CAD	85.65	97.13
UGX	0.0274	0.0513
TZS	0.0426	0.0635
AED	30.63	41.80
RWF	0.0680	0.1284

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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