Monday, June 29, 2026

Domestic Market Developments

The Kenyan shilling traded within a narrow range against the Greenback on Friday, with a bullish bias, as foreign currency inflows outweighed demand, leaving the local unit marginally stronger by end of Friday's trade.

In the fixed income market, the government received bids worth 31Bn against an advertised amount of 20Bn in the June Tap Sale, signaling strong demand for long dated papers as investors seek to lock in high yields.

International News

The U.S. dollar declined for the second consecutive trading session on Friday as fresh economic data and lower oil prices eased expectations of additional interest rate increases by the Federal Reserve. Even with the recent losses, the dollar still recorded gains for the week and was on track for its strongest monthly performance since July, after reaching a 13-month high earlier in the week. The dollar index, which measures the greenback against a basket of currencies, fell 0.19% to 101.32 but was on track for a second straight weekly gain.

Eurozone & UK markets

The EUR/USD pair edged higher on Friday but remained set for a second consecutive weekly decline, as ongoing tensions in the Middle East and expectations of a hawkish stance from the Federal Reserve continued to support the U.S. dollar and limit its losses. Meanwhile, in the Eurozone, investors are reconsidering the likelihood of another interest rate increase by the European Central Bank (ECB), with falling energy prices helping to ease inflationary pressures and reducing the urgency for further monetary tightening.

The British pound rallied on Friday, supported by declining yields on both UK government bonds and U.S. Treasuries. In addition, a more stable political and fiscal environment in the UK following Prime Minister Keir Starmer's resignation provided modest support to the GBP/USD pair.

Japan market

The USD/JPY currency pair traded slightly higher during Monday's Asian session, supported by heightened uncertainty surrounding negotiations between the United States and Iran. However, gains may remain limited as concerns persist that Japanese authorities could intervene in the foreign exchange market to support the yen.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	8.83%	10.50%	3.60%	8.00%
182 Day T-bill	8.84%	10.70%	4.90%	8.10%
364 Day T-bill	8.99%	12.00%	6.90%	8.60%
Inflation Rate	6.68%	3.20%	4.20%	11.50%
Interbank	8.75%	9.40%	5.80%	8.30%

Indicative quotes on the major currencies.

	Buys	Sells
USD	126.50	132.00
EUR	140.00	156.00
GBP	162.50	178.00
CHF	151.80	167.50
JPY	74.20	84.00
ZAR	6.70	10.05
CAD	85.65	96.50
UGX	0.0274	0.0513
TZS	0.0426	0.0630
AED	30.65	41.80
RWF	0.0682	0.1284

Indicative Deposit rates

Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP
Call	3.35%	0.35%	0.0%
1 month	5.55%	1.55%	0.00%
3 months	5.55%	1.55%	0.00%
6 months	5.50%	1.60%	0.00%

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