GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Tuesday, June 30, 2026

Domestic Market Developments

The Kenyan shilling held steady against the greenback on Monday in a session characterized by a delicate interplay of foreign currency supply and demand, leaving the currency pair unchanged at the end of the session. In the near term, we expect directionality to be dictated by flows, barring any major economic events.

International News

The U.S. dollar edged lower on Monday but stayed close to a one year high, supported by confidence in the strength of the U.S. economy, expectations of further Federal Reserve interest rate increases, and sustained investor enthusiasm for artificial intelligence, which has continued to drive capital into U.S. stock markets. Attention this week is centered on Thursday's U.S. employment report for June. Three months of stronger than expected job creation have reinforced expectations that the Fed will keep monetary policy tight. However, any signs of weakness in the labor market could encourage the central bank to take a more cautious approach.

Eurozone & UK markets

The Euro rose on Monday after falling to a 13-month low against the dollar last week. The European Central Bank's annual forum began on Monday under the leadership of President Christine Lagarde. A closely watched policy discussion on Wednesday will feature Kevin Warsh, whose remarks are expected to provide further guidance on the future direction of U.S. interest rates.

The British pound rebounded on Monday after reaching a seven-month low last week. In the United Kingdom, Andy Burnham, widely viewed as the country's prime minister in waiting, pledged to introduce significant political reforms by devolving more authority to regional governments and promoting cooperation as part of a 10-year strategy to achieve sustainable economic growth. Investors are closely watching Burnham's choice of finance minister, as the appointment is expected to have a major influence on the outlook for both the pound and the UK government bond market.

Japan market

The Japanese yen weakened further in early Asian session on Tuesday against the dollar to its lowest level since 1986. Although the Bank of Japan recently raised interest rates by 25 basis points to 1.00%, the move has done little to narrow the significant interest rate gap with the United States, particularly as the Federal Reserve continues to signal that rates may remain elevated for an extended period.

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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