GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Wednesday, July 1, 2026

Domestic Market Developments

The Kenyan shilling remained broadly stable against the U.S. dollar on Tuesday as balanced foreign currency demand and supply kept the exchange rate largely unchanged. Adequate inflows from exporters and remittances offset corporate dollar demand.

In the near term, the USD/KES pair is expected to remain range-bound, with movements likely to be driven by foreign exchange flows unless significant economic developments or shifts in market demand emerge.

International News

The U.S. dollar traded in a narrow range on Tuesday as investors weighed mixed U.S. economic data alongside hawkish remarks from Federal Reserve officials. Cleveland Fed President Beth Hammack stated that inflation remains above target and warned that additional interest rate hikes could be warranted if price pressures continue to persist.

Eurozone & UK markets

EUR/USD edged lower as investors weighed softer German inflation against stronger-than-expected retail sales data. Germany's preliminary annual inflation eased to 2.4% in June from 2.7% in May, reinforcing expectations that the European Central Bank (ECB) may face less immediate pressure to tighten policy further. Meanwhile, German Retail Sales unexpectedly rose 1.1% month-over-month in May, rebounding from a revised 0.4% decline in April and highlighting resilient consumer spending.

GBP/USD traded sideways as investors looked for fresh catalysts after Bank of England (BoE) Governor Andrew Bailey signaled that policymakers are in no hurry to adjust interest rates. Bailey acknowledged that UK inflation could rise to around 3.2% later this year but emphasized that tighter financial conditions give the BoE scope to assess the impact of higher energy prices before determining whether further policy tightening is warranted.

Japan market

Earlier today, USD/JPY advanced after the U.S. dollar strengthened approximately 2.5% against the Japanese yen in the second quarter, extending its winning streak to a fourth consecutive quarter. Despite stronger business sentiment among large manufacturers in the Bank of Japan's Tankan survey and the final au Jibun Bank Manufacturing PMI remaining firmly in expansion territory, the yen continued to face downward pressure.

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%	0.05%