GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Thursday, July 2, 2026

Domestic Market Developments

The Kenyan shilling strengthened against the greenback on Wednesday, in a session characterized by strong inflows of foreign currency, amid weak demand for the dollar, leaving the US Dollar weaker 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 strengthened ahead of Today's closely watched nonfarm payrolls report, although it trimmed earlier gains after Federal Reserve Chair Kevin Warsh noted that inflation expectations and inflation risks have eased in recent weeks. Warsh reaffirmed the Fed's commitment to its 2% inflation target while indicating that policymakers are increasingly looking to enhance decision-making through more timely economic data. Despite Warsh's relatively balanced remarks, expectations of further Fed tightening continued to underpin the greenback, supported by resilient U.S. economic growth, sustained AI-related capital inflows, and a robust labor market.

Eurozone & UK markets

The Euro weakened on Wednesday after euro area inflation slowed more than anticipated in June, easing pressure on the European Central Bank to tighten monetary policy further.

GBP/USD continued to claw back on Wednesday, despite a hollow political backdrop. A rather hawkish Bank of England proved to provide some support to the Cable. Market attention shifts to US Non Farm payrolls data due later today, to provide more color on the currency pair.

Japan market

The Japanese Yen kickstarted the early Asian session on Thursday with a bullish bias, drawing support from comments by Toshihiro Nagahama, a private-sector member of Japanese Prime Minister Sanae Takaichi's Council on Economic and Fiscal Policy, opining on the recent BOJ monetary policy decision, he stated the June rate hike was the appropriate decision, and, further that delaying rate hikes would cause an excessive decline in the Yen currency and hurt households more.

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

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