GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Friday, July 3, 2026

Domestic Market Developments

The Kenyan shilling continued its rally against the greenback for its second consecutive day, supported by strong foreign currency inflows, that outweighed demand. In the near term, we expect the currency pair to remain rangebound, as market flows continue to dictate momentum.

International News

The U.S. dollar declined significantly on Thursday after the June employment report revealed that job growth was much weaker than anticipated. According to the report, the U.S. economy added 57,000 jobs in June, well below the forecast of 110,000. Meanwhile, the unemployment rate eased slightly to 4.2% from 4.3%. Following the release of the data, financial markets adjusted their expectations for Federal Reserve policy. Traders in Fed funds futures reduced the probability of a September interest rate increase to 54%, compared with 67% before the report. The U.S. Dollar Index fell 0.56% to 100.83 after earlier touching 100.55, its lowest level since June 18. The decline put the index on course for its largest daily loss since April 30.

Eurozone & UK markets

The Euro bounced back on Thursday, buoyed by broad dollar weakness. Market attention now shifts to the Eurozone Services & Composite PMI data due later today, as well as ECB's President Christine Lagarde speech.

The British pound (GBP) posted strong gains against the U.S. dollar (USD) on Thursday after the latest U.S. employment data came in weaker than expected, putting pressure on the greenback. With no major economic releases from the UK, market attention shifted to Andy Burnham, who is widely regarded as the leading contender to succeed Prime Minister Keir Starmer. Despite the pound's advance, traders remain cautious about the outlook for the GBP/USD pair due to uncertainty surrounding Burnham's potential policy agenda. At the same time, sterling has continued to find support from declining oil prices, which have improved sentiment toward the UK currency.

Japan market

The Japanese yen posted strong gains against the U.S. dollar on Thursday as market participants assessed the possibility of a shift in Japan's currency intervention strategy. Reports indicated that Japan's Ministry of Finance was moving away from publicly signaling intervention risks and instead adopting a less predictable approach designed to discourage speculative trading against 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	8.96%	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	141.00	156.00
GBP	163.00	178.00
CHF	152.00	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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