GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Wednesday, July 15, 2026

Domestic Market Developments

The shilling remained steady against the dollar after opening a tad higher from Mondays session. The session was characterized by a balanced interplay between foreign currency demand and supply counters, with the local unit closing the day unchanged from its opening levels.

The market is likely to be guided by flows to give further direction to the USDKES pair.

International News

The U.S. dollar weakened on Tuesday after June inflation came in below expectations, reducing expectations of further Federal Reserve tightening. Annual inflation eased to 3.5%, core inflation slowed to 2.6%, and consumer prices fell 0.4% month-on-month, the first monthly decline since 2020. However, escalating U.S.-Iran tensions in the Gulf limited the dollar's losses, as disruptions in the Strait of Hormuz pushed oil prices above $85 per barrel. The renewed geopolitical risks have increased concerns over global energy supplies and strengthened expectations of higher global interest rates later this year.

Eurozone & UK markets

The euro rebounded to its strongest level since June 19, supported by broad dollar weakness on soft US Inflation. Investors also reacted to escalating Middle East tensions and rising oil prices, which fueled concerns about inflation's impact on monetary policy and economic growth. Markets responded by pricing further European Central Bank rate hikes, with money markets now expecting a deposit rate of 2.70% by December.

The pound rose against the dollar on Tuesday as investors took profits after the U.S. currency's recent climb to more than one-year highs ahead of key U.S. inflation data later in the day. The focus for UK markets is now on Andy Burnham, who is set to replace Keir Starmer as prime minister on July 20, and his choice of finance minister.

Japan market

The Japanese yen steadied against dollar on Wednesday, drawing support from a weaker dollar after softer-than-expected US inflation data eased concerns about imminent Federal Reserve interest rate hikes. In Japan, data showed machinery orders declined more than expected in May, highlighting broad-based weakness in business investment. Despite the modest rebound, the yen remained near 40-year lows amid the absence of concrete measures from Tokyo to bolster the currency.

Short-end market Rates

Country				
91 Day T-Bill	8.83%	10.50%	3.60%	8.00%
182 Day T-bill	8.97%	10.70%	4.90%	8.10%
364 Day T-bill	8.99%	12.00%	6.90%	8.60%
Inflation Rate	6.40%	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	140.60	155.10
GBP	164.00	178.80
CHF	153.50	168.40
JPY	74.50	84.30
ZAR	6.75	10.25
CAD	87.00	97.50
UGX	0.0274	0.0513
TZS	0.0426	0.0630
AED	32.80	42.00
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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