GLOBAL MARKETS
DAILY MARKET NEWS
NCBA

Thursday, July 16, 2026

Domestic Market Developments

The Kenya shilling gained some ground against the dollar in Wednesday's local FX trading as FCY supply continued to outweigh demand. Overall, the currency pair is likely to trade around current levels as market participants watch for new catalysts to guide the shilling's near-term direction

International News

The US Dollar extended some decline on Wednesday as softer PPI lifted major currencies. Data released by the US Bureau of Labor Statistics (BLS) on Wednesday showed that the US PPI rose by 5.5% YoY in June, versus 6.0% in May (revised from 6.5%). This reading came in below the market consensus of 6.2%. On a monthly basis, the PPI declined by 0.3%, compared to the 0.6% increase recorded in May (revised from 1.1%) and improved compared with the estimate for no change. The data reduced the pressure on the Fed to raise interest rates at its July meeting.

Eurozone & UK markets

The EUR/USD rose on Wednesday as softer-than-expected US PPI data weighed on the US Dollar. The Euro also found some support after Spain's HICP showed inflation remained elevated in June. On the Euro side, Spain's final HICP held at 3.6% YoY in June, unchanged from May, while the monthly reading rose 0.6%. The figures suggest inflation remains sticky in one of the Eurozone's largest economies, which may help limit expectations for aggressive ECB easing.

The Pound Sterling rose by some 0.60% against the US Dollar after the latest PPI in the US showed prices edging lower, driven by the dip in energy prices since late May. Across the pond, uncertainty and tensions over UK politics eased, a tailwind for Sterling. Speculation that Britain could close ties with the European Union is another reason behind the GBP/USD rise.

Japan market

The USD/JPY pair loses ground during the Asian trading hours on Thursday. The JPY strengthens against the USD after verbal intervention from Japanese authorities. Traders await the release of the US June Retail Sales data later Thursday for fresh impetus. Traders remain on alert for possible intervention from Japanese officials. On Thursday, Japan's Finance Minister Satsuki said that the authorities are ready to take appropriate action on currency anytime as needed. She added that the officials will track market trends and economic data to ensure fiscal sustainability

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	141.00	155.50
GBP	165.00	180.00
CHF	154.00	168.70
JPY	74.50	84.30
ZAR	6.75	10.25
CAD	87.70	98.00
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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