GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Friday, July 31, 2026

The Kenya Shilling traded within a narrow range against the US Dollar on Thursday in a relatively quiet session, as balanced demand and supply flows prevailed across the local FX market. With no significant market-moving developments, activity remained largely flow-driven.

International News

The US Dollar declined sharply during the American session on Thursday after US economic growth missed expectations and underlying inflation moderated. Preliminary data showed the US economy expanded at an annualized rate of 1.5% in the second quarter, missing market expectations of 2.1% and slowing from the previous quarter. Core Personal Consumption Expenditures inflation rose only 0.1% MoM in June, compared with expectations of 0.2%, while the annual rate eased to 3.3% from 3.4%.

Eurozone & UK markets

The EUR/USD pair gained ground on Thursday as stronger-than-expected European economic data and softer US growth figures pressured the Dollar. The Eurozone economy expanded by 0.4% QoQ in the second quarter, beating expectations of 0.2% and recovering from the previous 0.2% contraction. On an annual basis, GDP increased 1.0%, well above the 0.5% market forecast and the previous 0.3% expansion. Germany, France, Italy & Spain reported economic growth, while inflation remains elevated in Germany and Spain.

The Pound Sterling registered gains versus the US Dollar after the Bank of England decided to hold rates at 3.75% for a fifth straight meeting on Thursday, in a 6-3 vote. BoE members: Catherine Mann, Chief Economist Huw Bill and Megan Greene voted for a quarter-to-a-percent hike in policy rates.

Japan market

The Japanese yen stayed under pressure during the Asian hours following the Bank of Japan's decision to keep its short-term interest rate unchanged at 1.00%. The BoJ's intervention late Thursday boosted the Japanese Yen away from the 40-year lows. Japanese Finance Minister Satsuki Katayama reiterated that financial authorities remain prepared to step into the foreign exchange market at any moment, emphasizing ongoing coordination with the United States regarding currency moves.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	8.78%	10.50%	3.60%	8.00%
182 Day T-bill	8.95%	10.70%	4.90%	8.10%
364 Day T-bill	9.04%	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	140.45	157.43
GBP	163.51	180.35
CHF	148.66	168.66
JPY	73.24	84.12
ZAR	6.07	10.41
CAD	84.48	98.80
UGX	0.0266	0.0534
TZS	0.0424	0.0636
AED	30.63	41.80
RWF	0.0510	0.1290

Indicative Deposit rates			
Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP
Call	3.35%	0.70%	0.0%
1 month	5.50%	2.05%	0.05%
3 months	5.55%	2.05%	0.05%
6 months	5.65%	2.20%	0.20%

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