# GLOBAL MARKETS
## DAILY MARKET NEWS

NCBA

**Monday, August 3, 2026**

The Kenya Shilling closed the month modestly weaker against the dollar. Market activity was subdued in the foreign exchange market with both demand and supply counters sizing each other out. Later in the session, demand prevailed as players assessed their dollar needs, tipping the scale slightly against the local unit by the closing bell.

**International News**

The US Dollar Index struggled to sustain its early recovery on Friday, with the Greenback remaining under pressure amid the fallout from suspected Japanese intervention and the prospect of direct US action. The Federal Reserve's shift toward more limited forward guidance added to the pressure, as investors questioned whether the central bank is doing enough to bring inflation back to target. Markets continue to price in two rate hikes by June next year, with renewed US-Iran tensions further clouding the economic outlook. Attention now turns to this week's July ISM Manufacturing and Services PMIs, along with the Nonfarm Payrolls report.

**Eurozone & UK markets**

The euro held broadly steady against the US dollar as strong eurozone data offset geopolitical tensions. Second-quarter GDP grew 0.4% well above the 0.2% forecast and the strongest pace since early 2025 — while annual inflation accelerated to 2.9% in July, with core and services inflation also firming. The data reinforced expectations for further ECB tightening, with markets pricing in the deposit rate reaching 2.75% by early 2027. Attention now turns to today's German retail sales data for June.

Sterling advanced more than 1% against the US dollar, showing little immediate reaction to news that the UK budget will be moved forward. Chancellor John Healey confirmed his first budget will be delivered on October 28.

**Japan market**

The yen extended its gains in Monday's early Asian session after Japanese authorities confirmed coordinated yen-buying intervention with the US Treasury last week, following the currency's slide to 40-year lows. US Treasury Secretary Scott Bessent confirmed the joint action, aimed at countering disorderly moves in the currency. The yen had tumbled to four-decade lows last month under pressure from elevated energy costs, mounting fiscal concerns, and persistently wide interest rate differentials. Markets remain on alert for further coordinated intervention from Washington and Tokyo.

**Short-end market Rates**

| Country | Kenya | Uganda | Tanzania | Rwanda |
|---|---|---|---|---|
| 91 Day T-Bill | 8.79% | 10.00% | 3.35% | 8.25% |
| 182 Day T-bill | 8.95% | 10.40% | 4.78% | 8.28% |
| 364 Day T-bill | 9.02% | 11.50% | 7.03% | 8.48% |
| 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 | 140.98 | 157.82 |
| GBP | 163.94 | 180.40 |
| CHF | 150.18 | 170.01 |
| JPY | 76.88 | 87.65 |
| ZAR | 6.16 | 10.54 |
| CAD | 84.77 | 99.12 |
| UGX | 0.02680 | 0.0538 |
| TZS | 0.04240 | 0.0636 |
| AED | 30.63 | 41.80 |
| RWF | 0.0509 | 0.1286 |

**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% | 1.95% | 0.05% |
| 3 months | 5.55% | 2.10% | 0.05% |
| 6 months | 5.65% | 2.10% | 0.20% |

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