GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Thursday, August 6, 2026

The mid-week trading saw the USD/KES pair hold steady, as foreign currency demand and supply remained largely balanced.

In the absence of major domestic catalysts, the shilling is likely to continue trading in a tight range against the dollar.

International News

The dollar index which tracks the U.S. currency against six others, was 0.12% lower at 99.67, extending the week's decline, as geopolitics continues to shape the broader risk backdrop. The dollar was also weighed down by two key data releases. The ADP Employment Change rose by 44K in July, missing expectations of 65K and sharply lower than 98K in June. Meanwhile, the ISM Services Purchasing Managers Index (PMI) edged up to 54.1 in July from 54 in June but fell short of the 54.5 market forecast. New orders accelerated and business activity climbed to a five-month high, though rising input costs persisted.

Eurozone & UK markets

EUR/USD extended its gains on Wednesday, rising 0.19%, supported by a continued rotation into European assets and record-setting equity markets.

GBP/USD rose modestly, supported by better-than-expected PMI data. UK July Services PMI: Rose to 52.1, above the preliminary reading of 51.8 and June's 48.8, reversing the prior contraction trend. The Composite PMI rose to 52.2 from 49.3 in June, with new business at its highest since February 2026. UK Jobs Market: S&P Global's PMI survey showed private sector firms reduced headcount for a 22nd consecutive month in July — matching the longest jobs slump since the Global Financial Crisis — as firms cut costs and adopt AI.

Japan market

The Japanese yen was little changed against the dollar in early trade, struggling to hold onto its intervention-driven gains as the greenback hovered near six-week lows. Concerns over a proposed U.S.-Iran deal, along with jitters ahead of upcoming U.S. payroll data, kept traders cautious. Minutes from the Bank of Japan's June meeting, released Wednesday, showed policymakers debating mounting price risks that likely warrant further rate hikes — even after borrowing costs were raised to a 31-year high that month. The minutes highlighted growing attention within the board to broadening price pressures, bolstering the case for another hike as soon as September.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	8.79%	10.00%	3.35%	8.33%
182 Day T-bill	8.95%	10.40%	4.78%	8.30%
364 Day T-bill	9.02%	11.50%	7.03%	8.54%
Inflation Rate	6.50%	3.20%	4.20%	11.50%
Interbank	8.75%	9.75%	6.25%	8.25%

Indicative quotes on the major currencies.

	Buys	Sells
USD	126.50	132.00
EUR	140.87	157.71
GBP	163.96	180.48
CHF	150.18	170.01
JPY	77.04	87.25
ZAR	6.16	10.51
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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