GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Wednesday, August 12, 2026

Domestic News

The Kenya shilling's movement against the U.S. dollar was constrained within a now familiar band in Tuesday's trading session.

Market saw minimal activity across the counters that just about evened out on the day, with the USDKES currency pair ending the session unchanged from previous close. Elsewhere, the Monetary Policy Committee decided to maintain the Central Bank Rate at 8.75% to ensure inflation expectations remain anchored within the target range.

International News

The dollar drifted higher on Tuesday, ahead of today's closely watched U.S. CPI report on hawkish Fed speak and firmer oil prices following conflicting signals about progress in U.S.-Iran talks over the Strait of Hormuz.

Yields dipped and oil pared gains after Pakistan said the U.S. and Iran were nearing a deal, while Qatar said talks on managing the Strait of Hormuz were at an advanced stage. That optimism was undermined after Iran's secretary of the Supreme National Security Council, Mohsen Rezaei, said the Strait would stay closed unless Tehran's conditions are met, adding that Oman talks are separate. Further dampening sentiment, President Donald Trump called Iran "devious negotiators" and said the U.S. could either let Tehran fail economically or hit it "really, really hard."

Eurozone & UK markets

EUR/USD fluctuated on Tuesday, holding within the range seen over the past week. According to Commerzbank, the exchange rate is likely to regain traction once geopolitical tensions ease, with the bank arguing that "the EUR/USD should rise again after the war ends, Fed independence erodes, and Dollar overvaluation unwinds

GBP/USD retained a mildly bullish bias above key support, buoyed by shifting market expectations for Federal Reserve policy. Upcoming U.S. CPI data will be crucial for gauging market sentiment and the pairs trajectory. The Reuters consensus calls for a slight increase in both core and headline month-on-month readings, alongside a modest decline in year-on-year measures.

Japan market

Earlier in Asia, USD/JPY held a neutral-to-positive bias, with strong resistance limiting its upside ahead of the U.S. CPI release. As the impact of U.S.-Japan intervention continues to fade, pressure increases for Japanese authorities to act again.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	8.78%	10.00%	3.35%	8.33%
182 Day T-bill	8.95%	10.40%	4.78%	8.30%
364 Day T-bill	9.00%	11.50%	7.03%	8.54%
Inflation Rate	6.50%	3.20%	4.00%	11.50%
Interbank	8.75%	9.75%	6.50%	8.25%

Indicative quotes on the major currencies.

	Buys	Sells
USD	126.50	132.00
EUR	140.42	157.76
GBP	163.22	180.38
CHF	150.14	170.02
JPY	76.62	86.71
ZAR	6.19	10.42
CAD	84.77	99.12
UGX	0.02680	0.05380
TZS	0.04210	0.06320
AED	30.63	41.80
RWF	0.05090	0.12860

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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