GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Thursday, August 13, 2026

Domestic News

It was another day of trading dominated by the recent theme of matching flows, as the local currency traded sideways against the dollar. Key counters were muted throughout Wednesday's session, leaving the USD/KES pair relatively unchanged by the ring of the closing bell. We expect the USD/KES pair to continue fighting it out within familiar ranges pending any inimitable news that could tilt the scale to either side.

International News

The dollar rebounded from brief post-CPI losses as investors judged the inflation data insufficient to shift the Fed's hawkish stance, with rising equities, a solid Treasury auction and haven support from the U.S.-Iran standoff adding to its appeal.

July core and headline CPI largely met forecasts printing at 2.5% and 3.4% respectively. Though the slowing pace of core inflation further diminished prospects for a September Fed rate hike to below 40%. The data was seen as insufficient to change a Fed on hold. A senior Iranian source said talks on implementing June's interim deal have made no progress and U.S. President Donald Trump touted U.S. control over the Strait of Hormuz.

Eurozone & UK markets

EUR/USD's risk profile tilted modestly higher on Wednesday as U.S. data prompted investors holding long-dollar positions to reconsider their conviction. Attention now turns to Thursday's July PPI release. Should the data print in line with or below expectations, it could provide further momentum for a EUR/USD rally, extending the dollar's recent vulnerability.

GBP/USD remained anchored around recent levels, with fading post-CPI gains and rising Treasury yields suggesting limited upside ahead of next week's UK CPI. Analysts said Britain's economy had not weakened enough to put the debate over further Bank of England rate hikes to rest, while gilt yields remained close to their highest levels in nearly two decades as fiscal uncertainty kept term premiums elevated.

Japan market

Earlier in Asia, USD/JPY hit a fresh August high, shrugging off a post-CPI dollar dip. Shusuke Yamada, head of Japan FX/rates research at Bank of America, said investors can only judge the authorities' commitment to defending the yen through dollar-yen price action and the policy response that follows.

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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