GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Friday, August 14, 2026

Domestic News

A relatively vibrant Thursday session saw the home unit seesaw against its US counterpart. The market was awash with foreign currency inflows in early trading, lifting the shilling to fresh monthly highs. However, dollar buyers resurfaced from the sidelines later in the day, to take advantage of the somewhat fair levels, reversing the local currency's gains by the end of the session. Ahead of the weekend, the USD/KES pair is expected to trade rangebound, albeit with a slightly bearish bias if dollar supply from corporates and yield chasing investors outstrips demand.

International News

The dollar was little changed on Thursday as lower Treasury yields following softer-than-expected PPI data and falling commodity prices helped fuel a tech-led rally in the S&P 500 to a record high, leaving currency volatility near complacency levels.

Unchanged producer prices in July slowed annual PPI to 4.7% from 5.5% in June, while jobless claims rose modestly in the latest week. Richmond Fed President Tom Barkin said continued moderation in monthly inflation should help contain inflation expectations, while Cleveland Fed President Beth Hammack reiterated her call to raise rates. U.S.-Iran tensions remain high amid reports Washington is sending another carrier to the region while Iran asserts control over the Strait of Hormuz.

Eurozone & UK markets

The euro gave up post-PPI gains, trading flat against the dollar while showing a mixed performance against G10 currencies. EUR/USD has lacked a catalyst in the period following the FOMC meeting in late July, underscoring the absence of a clear directional driver in recent trading.

Britain's economy unexpectedly grew in June by 0.3%, as companies enjoyed a respite from the energy price surge caused by the Iran war, the start of the men's soccer World Cup and hot weather. However, the sterling weakened marginally against a mostly higher dollar, with direction likely driven by risk and upcoming UK CPI.

Japan market

The yen headed for its biggest weekly loss in three months, as the impact of U.S. and Japanese intervention continued to fade leaving traders to wager another round of official buying would be needed to stem the rot. The currency has surrendered roughly half the gains sparked by intervention in late July and early August, falling about 1% this week.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	8.77%	10.00%	3.35%	8.33%
182 Day T-bill	8.95%	10.40%	4.78%	8.30%
364 Day T-bill	9.04%	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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