GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Monday, August 17, 2026

Domestic News

Friday's trading session saw the Kenyan shilling trade within a narrow range against the U.S. dollar, with balanced activity from both importers and exporters limiting volatility in the USD/KES pair.

Range-bound trading is expected to persist in the near term, as the exchange rate continues to be influenced by prevailing demand and supply dynamics.

International News

The U.S. dollar weakened on Friday following data showing that U.S. retail sales unexpectedly declined in July, prompting traders to reassess the outlook for Federal Reserve monetary policy. Retail sales fell 0.6% last month, following a 0.2% increase in June. Concerns over the U.S. labor market have also intensified after the July employment report showed that employers unexpectedly reduced payrolls during the month. Against this backdrop, the dollar index, which tracks the greenback against a basket of major currencies including the euro and yen, declined 0.25% to 99.67.

Eurozone & UK markets

EUR/USD bulls pushed the pair to a two-month high on Friday, supported by a combination of weaker-than-expected U.S. economic data, narrowing interest rate differentials, and favorable technical signals.

Sterling remained bullish as weaker U.S. retail sales reduced expectations for near-term Fed rate hikes, supporting GBP/USD. However, the pair's outlook remains dependent on UK and U.S. inflation trends, with escalating Middle East tensions and higher oil prices posing risks to growth and inflation.

Japan market

The yen strengthened against the U.S. dollar, largely shrugging off weaker-than-expected Japanese GDP data as traders scaled back expectations of a Federal Reserve rate hike this year. The yen rose 0.2% against the greenback, extending its gains for a second consecutive day, although it remained within its trading range over the past week. The move came after data released Monday showed Japan's second-quarter GDP grew at an annualized rate of 1.1%.

Short-end market Rates

Country				
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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