

GLOBAL MARKETS

DAILY MARKET NEWS



TODAY IN 10 SECONDS

The Kenya Shilling Slips on Thursday on strong corporate dollar demand, US Dollar eases Off 18-month high even as inflation and Jobs data impress.

Friday, October 16, 2026

91-DAY T-BILL

8.75%

▼ - 1.15 bp

KESONIA

8.75%

◆ unchanged*

KENYA INFLATION

6.80%

▲ within CBK 2.5–7.5% band

CBR

8.75%

◆ unchanged*

DOMESTIC — KENYA

The local currency traded on the backfoot against its American counterpart on Thursday, as corporate demand continued to outmuscle supply. Ahead of the weekend, the currency's direction is expected to be driven by capital flows as markets continue to assess geopolitical risks.

INTERNATIONAL NEWS

The U.S. dollar retreated from an 18-month high despite stronger-than-expected economic data. September PPI surged 6.3% YoY and 1.3% MoM, while core PPI rose to 5% YoY, signaling persistent inflationary pressures. Retail sales increased 0.8% MoM, beating forecasts, while initial jobless claims fell to 199K, indicating continued labour market resilience. These figures may reinforce expectations of a more hawkish Federal Reserve, potentially supporting the dollar.

EUR/USD traded on the front foot on Thursday as falling US Treasury yields weigh on the US Dollar. However, the Euro's upside appears limited as stronger-than-expected US economic data reinforce hawkish Fed expectations. Across the Atlantic, France's fiscal and political concerns remain another headwind for the Euro, while cautious remarks from ECB officials temper expectations of an imminent rate hike.

The Pound Sterling registered solid gains against the US Dollar on Thursday, even though the latest US inflation data, rather than fueling speculation of an October Fed hike, is nearly cementing the case for December. In the UK, growth data surprised investors, with the GDP growing 0.1% MoM in August, above forecasts of a 0.1% contraction as traders brace for the release of the Autumn Budget.

The USD/JPY pair strengthened in early Asian trading, supported by stronger-than-expected US PPI data. However, hawkish comments from BoJ policymaker Junko Koe, advocating against excessive caution on rate hikes, could support the yen and limit further gains in the pair.

MARKET EVENTS THIS WEEK

Mon 12	IMF–World Bank meetings (Oct)	US bond-market closure may affect liquidity
Wed 14	US September CPI (Oct)	Could shift USD direction and US yield expectations.
Thur 15	US PPI and retail sales; UK August GDP	Important for Fed expectations and GBP

INDICATIVE FX (KES)

CCY	BUY	SELL
USD	126.50	132.50
EUR	139.50	153.50
GBP	164.30	179.90
JPY	75.30	86.70
ZAR	6.38	9.95
AED	30.63	38.85
UGX	0.0247	0.0462
TZS	0.0423	0.0642

Indicative retail cash rates; contact dealing desk for live wholesale pricing on amounts above USD 5,000

EAST AFRICA RATES

RATE	KENYA	UGANDA	TANZANIA	RWANDA
91-day	8.75%	9.75%	3.42%	8.00%
182-day	8.86%	10.00%	4.92%	8.09%
364-day	9.04%	10.99%	6.47%	8.32%
Inflation	6.80%	4.10%	4.30%	15.90%
Interbank	8.75%	9.75%	6.25%	8.78%

Best real 364-day return: Uganda (+11.50%); Rwanda's yields sit below its 15.90% inflation.

DEPOSIT RATES

TENOR	KES >20M	USD >100K	GBP >100K
Call	3.35%	0.80%	0.00%
1 month	5.50%	2.20%	0.00%
3 months	5.50%	2.20%	0.00%
6 months	5.60%	2.35%	0.00%

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