NCBA

GLOBAL MARKETS DAILY MARKET NEWS

11th August 2025

DOMESTIC NEWS

The local unit held steady against the dollar in a muted trading session on Friday.

The session saw scant activity across counters that just evened out with foreign currency supply matching demand leading to the USDKES pair closing unchanged from previous day level.

In the new week, we see the home unit trade within the now familiar ranges and movements will be characterized by market flows.

Amounts	Spot Rates	
"100,000"	Opening	
	Buy TT	Sell TT
USD/KES	125.00	133.50
EUR/KES	140.78	160.50
GBP/KES	164.92	183.38
JPY/KES	81.17	93.24

Forward Rates		
USD/KES		
	Buy	Sell
1 month	125.70	134.20
3 Months	127.10	135.60
6 Months	129.20	137.70
12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.60%	9.62%	+2.00
91-Day T-bill	8.1168%	8.1106%	-0.62
182-Day T-bill	8.4186%	8.4095%	-0.91
364-Day T-bill	9.7193%	9.7178%	-0.15
Inflation Rate	3.80%	4.10%	+30.00

Source: Bloomberg

INTERNATIONAL NEWS

The USD gained slight ground after two days of losses during the early trading hours on Friday but ended the week lower. Through the week, concerns over softening U.S. economic momentum, especially in the labour market boosted speculation of Fed rate cuts, sending the dollar down 0.6% on the week, against a basket of peers. Market focus shifted to this week's inflation reports from the US which may show an uptick in Y/Y CPI. Sticky inflation might ordinarily reduce expectations of easier Fed policy in the near term and give the USD a lift. But that may not be the case as reports suggested that dovish Governor Waller is the "Trump team's" preferred replacement for Chair Powell." U.S. trade tariffs remained the biggest point of focus and upcoming talks between Russia and the U.S. this week, which could help determine tariff levels for India and China.

The EUR/USD consolidated near the week's highs, in which the US Dollar was poised to finish the week with over 1.84% losses against its peers. The hangover of last week's US Nonfarm Payroll figures, and subsequent worse-than-expected employment data, underpinned the Euro. However, talks of a possible meeting between the US and Russia to end sanctions raised optimism for the risk markets, supporting the currency further.

The GBP/USD remained steady during the North American session as the Greenback recovered some ground, even though traders seemed convinced that the Bank of England's rate cut on Thursday may be the last during the year. The sterling was further supported by improved risk appetite in the market though uncertainty over the US-China trade tariff tensions remained.

The Japanese Yen extended its sideways consolidative price move through the early trading session today amid relatively thin trading volumes on the back of a bank holiday in Japan. Moreover, traders seemed reluctant to place aggressive directional bets on the back of mixed fundamental cues. Diminishing odds for an immediate interest rate hike by the Bank of Japan, along with a positive risk tone, turned out to be key factors acting as a headwind for the safe-haven JPY.

Indicative Deposit Rates			
Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	EURO
Call	6.10%	0.05%	0.10%
1 month	5.20%	0.10%	0.15%
3 months	5.20%	0.15%	0.25%
6 months	5.65%	0.20%	0.30%

Indicative Cross Rates		
CCY	Buy	Sell
EUR\USD	1.1000	1.2200
GBP\USD	1.2900	1.4000
USD\JPY	140.00	154.00
USD\CHF	0.7700	0.8800