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GLOBAL MARKETS DAILY MARKET NEWS

16th SEPTEMBER 2025

DOMESTIC NEWS

The domestic currency remained steady against the U.S. dollar during a quiet trading session on Monday, as foreign currency supply and demand were evenly balanced.

Fickle dollar supply was evenly matched by a dearth in activity on the foreign currency demand counter leaving the home unit stuck within the recently established ranges.

The USDKES currency pair looks settled going into today's session and will likely remain within the present levels, barring any fresh factors coming into play

Amounts	*Spot Rates*			*Forward Rates*		
"100,000"	*Opening*			USD/KES		
	Buy TT	Sell TT			Buy	Sell
USD/KES	126.00	132.00		1 month	126.50	134.
EUR/KES	142.05	161.94		3 Months	127.10	135.
GBP/KES	166.78	185.40		6 Months	129.20	137.
JPY/KES	81.44	93.55		12 Months	133.40	141.

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.45%	9.46%	+1.00
91-Day T-bill	7.9865%	7.9716%	-1.49
182-Day T-bill	8.0331%	8.0194%	-1.37
364-Day T-bill	9.5790%	9.5483%	-3.07
Inflation Rate	4.10%	4.50%	+40.00

Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar eased marginally on Monday, with traders focusing on an upcoming Federal Reserve policy-setting meeting, which is likely to set the tone in the foreign exchange markets into the fourth quarter. The Federal Reserve concludes its latest two-day policy meeting on Wednesday and is widely expected to cut interest rates after recent data showed a sustained deterioration in the U.S. labor market, while inflation in August did not rise as sharply as markets were fearing. Beyond the Fed meeting, the week also includes the release of August retail sales data on Tuesday and weekly jobless claims and July Treasury International Capital data on Thursday. In the commodities markets, gold is in the spotlight this morning, after scaling to a fresh record high close to US$3,730/oz overnight.

EUR/USD rose 0.21% on Monday, shrugging off France's credit downgrade to A+ from AA- and political uncertainty. The euro found support as the ECB signalled its easing cycle is nearly done. At its September meeting, the ECB held rates steady with the deposit rate at 2.00%, calling policy "appropriately positioned." Board member Isabel Schnabel reinforced a hawkish stance, saying rates are at a "good place" but warning inflation risks remain tilted upward.

The GBP advanced against the US Dollar at the start of the week trading session amid broad based dollar weakness. Investors brace for significant volatility in the Pound Sterling this week as the UK labor market data for the three months ending July and the CPI data for August are also scheduled to be released this week on Tuesday and Wednesday, respectively. BoE Governor Andrew Bailey has warned of downside labor market risks and stated that the monetary policy path will remain downwards.

The JPY edged higher on Tuesday as Investors seem convinced that the BoJ will stick to its policy normalization path. This marks a significant divergence in comparison to rising bets for a more aggressive policy easing by the Fed, which keeps the USD depressed and benefits the lower-yielding JPY. However, expectations that domestic political uncertainty could give the BoJ reasons to delay rate hikes, along with a generally positive risk tone, might cap any further gains for the JPY.

Indicative Deposit Rates			
Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	EURO
Call	3.30%	1.10%	0.10%
1 month	4.80%	2.35%	0.15%
3 months	4.80%	2.35%	0.25%
6 months	4.85%	2.20%	0.30%

Indicative Cross Rates		
CCY	Buy	Sell
EUR\USD	1.1220	1.1960
GBP\USD	1.3050	1.3920
USD\JPY	143.20	152.60