NCBA

GLOBAL MARKETS DAILY MARKET NEWS

22nd SEPTEMBER 2025

DOMESTIC NEWS

The domestic unit was unchanged against the U S dollar in a muted trading session on Friday.

Market activity was subdued, with little by way of volume seen on both the demand and supply counters. Balanced flows across both buy and sell counters led the shilling to close at the same levels.

We expect the home unit to continue trading within a range in the short term guided by demand and supply.

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	134.20
EUR/KES	142.74	160.34	3 Months	127.10	135.60
GBP/KES	166.73	185.55	6 Months	129.20	137.70
JPY/KES	80.90	93.21	12 Months	133.40	141.90

Money Market Rates	Previous	Current	Change Bps
Interbank rate	9.44%	9.41%	-3.00
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 advanced on Friday, continuing its recovery against a basket of major currencies. This rebound occurred as market participants recalibrated their expectations following the Federal Reserve's recent interest rate cut. While the Fed reduced rates as anticipated, it simultaneously indicated that any future monetary easing would be a measured and gradual process.
After declining earlier in the week on hopes for aggressive rate cuts, the U.S. Dollar Index, which measures the currency against six peers, was up 0.3% and nearly unchanged for the week. This shift in tone has led strategists to suggest the dollar's sell-off prior to the meeting may have been overdone, creating room for a further short-term rebound, though the longer-term trend may still be lower.

EUR/USD slightly declined in the late North American session as the US dollar regained strength after rebounding from three-year lows following the Federal Reserve's interest rate cut. Political unrest in France, combined with rising US Treasury yields, supported the US dollar, causing the currency pair to dip.

The Pound fell sharply on Friday relative to other major currencies. This decline was driven by a significant rise in long-term UK government bond yields, which approached 5.50%, following news of increased public borrowing in August.
Even positive UK retail sales data was not enough to support the currency.

The Japanese Yen was overall weaker, but little changed this morning, after having gained some ground on Friday after Bank of Japan left interest rates unchanged at 0.5% a decision widely anticipated by markets while retaining a hawkish tilt toward future rate increases. This broadly accommodative policy tone helped counterweigh domestic political risks and underwhelming inflation figures for August.

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
USD\CHF	0.7600	0.8500