Tuesday, October 14, 2025

Domestic Market Developments

The shilling kicked off the week trading within a narrow furrow against its U.S. counterpart as market players remained relatively mute in yet another passive trading day.

Mondays' session saw the home unit little changed versus the greenback on the back of minimal but matching flows on both the demand and supply counters.

We expect the local unit to trade within current levels, as the domestic currency market continues to be characterized by a semblance of lethargy.

International News

US market

The US Dollar Index fell 0.48% to around 98.90 on Friday as renewed US–China trade tensions weighed on sentiment. President Donald Trump said his administration may impose a massive increase of tariffs on Chinese imports following Beijing's rare earth export restrictions, calling them "hostile." He also ruled out meeting President Xi Jinping at the upcoming APEC summit, signaling worsening relations and adding pressure on the Greenback.

The US Dollar weakness highlights growing speculation that rising trade and political risks may lead the Federal Reserve to take a more accommodative approach.

Eurozone & UK markets

The British Pound continued to weaken against the US Dollar on Friday. The USD remains supported by heightened safe-haven demand, driven by political uncertainty in Japan and France.

While expectations for Fed rate **cuts** later this year have grown with markets pricing in over an 80% chance of a 50-bps cut by December the Dollar's strength persists amid global risk aversion.

Japan market

The Japanese Yen remains under pressure during the Asian session on Monday due to domestic political uncertainty. Despite US President Trump's easing of China tariff tensions, the Yen hasn't been able to build on Friday's modest recovery against the US Dollar, which hit its lowest level since February 13.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	7.891%	10.38%	7.49%	6.38%
182 Day T-bill	7.9301%	13.43%	8.47%	6.06%
364 Day T-bill	9.5406%	15.25%	8.91%	7.28%
Inflation Rate	4.58%	3.80%	3.20%	7.30%
Interbank	9.5097%	9.79%	6.31%	6.50%

Quotes on the major currencies

	Buys	Sells
USD	125.00	133.50
EUR	140.20	159.85
GBP	163.62	181.94
CHF	156.39	174.09
JPY	78.85	90.55
ZAR	5.83	9.99
CAD	86.75	99.23
UGX	0.0291	0.0585
TZS	0.0455	0.0687
AED	30.62	41.80
RWF	0.0513	0.1304

Indicative Deposit rates

Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	EUR
Call	3.15%	0.95%	0.0%
1 month	4.70%	2.10%	0.35%
3 months	4.75%	2.10%	0.40%
6 months	4.75%	2.20%	0.40%

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