

GLOBAL MARKETS

DAILY MARKET NEWS



Tuesday, October 21, 2025

Domestic Market Developments

The shilling remained steady against the US dollar heading into the long weekend last Thursday supported by balanced demand and supply. In today's session, the domestic unit is expected to trade within its recent range, with the direction of the USD/KES pair influenced by activity from the respective counters.

International News

US market

The trade conflict with China intensified on Thursday after US President Donald Trump declared that the two countries are already engaged in a trade war. U.S. stock indexes ended higher later on Friday after U.S. President Donald Trump said his proposed 100% tariffs on China would not be sustainable, while upbeat quarterly results from regional banks helped ease credit risk concerns.

The Fed signals more rate cuts, with key officials backing further easing. September's industrial data and comments from St. Louis Fed President Mussalen are due amid the US shutdown.

Eurozone & UK markets.

In the UK, the economy showed slight growth with GDP up 0.1% in August and industrial production rising 0.4%, indicating a mild manufacturing recovery. However, Chancellor Rachel Reeves announced upcoming tax hikes in the Autumn Budget to restore fiscal stability, which may dampen domestic demand.

In the Eurozone, inflation remains steady but above target, with HICP rising 2.2% YoY in September and core inflation hitting 2.4%, the highest since April. ECB officials say policy is near neutral, indicating little scope for more rate cuts.

The EUR/USD pair continued its decline in the Asian session on Tuesday, pressured by a stronger US Dollar amid hopes the US government shutdown will end soon. Meanwhile, the US Dollar Index rose.

Japan market

The Yen eased losses after Sanae Takaichi became Japan's first female PM amid expectations of continued easy BoJ policy. Positive markets and a narrowing Japan-US rate gap pressured the yen, while dovish Fed bets limited JPY gains.

Short-end market Rates

Country				
91 Day T-Bill	7.9239%	10.38%	7.49%	6.38%
182 Day T-bill	7.9849%	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	140.34	160.00
GBP	164.03	182.43
CHF	152.82	171.13
JPY	79.24	93.89
ZAR	5.87	10.08
CAD	86.37	98.82
UGX	0.0288	0.0578
TZS	0.0452	0.0687
AED	30.62	41.81
RWF	0.0513	0.1305

Indicative Deposit rates

Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	EUR
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%

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