GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Wednesday, October 22, 2025

Domestic Market Developments

The shilling began the week trading within a narrow range against the US dollar, as market activity remained muted during another quiet trading session as both demand and supply counters evenly matched. We expect the shilling to remain around current levels, as the domestic currency market continues to exhibit a lack of momentum.

International News

US market

The US Dollar continued to gain strength for the third straight day on Tuesday. The USD Index, which tracks the dollar's performance against a group of six major currencies, is being supported by improved market sentiment. This positive shift is largely driven by US President Donald Trump's optimistic remarks about reaching a trade agreement with China, which could help prevent further tariff increases.

Eurozone & UK markets

The UK economy showed slight growth recently, though underlying concerns persist. However, this improvement may be short-lived, as Chancellor Rachel Reeves announced that the Autumn Budget will include tax increases aimed at restoring fiscal balance—measures that could dampen domestic demand.

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 weakened after Sanae Takaichi, a known dove, was elected as Japan's first female Prime Minister on Tuesday. Takaichi has pledged to revitalize the economy, strengthen national defense, and improve relations with the United States. Her rise to leadership follows a weekend agreement between the Liberal Democratic Party and the Japan Innovation Party to form a coalition government.

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	139.99	159.62
GBP	163.82	182.20
CHF	152.32	170.50
JPY	78.88	90.59
ZAR	5.82	9.98
CAD	86.67	99.16
UGX	0.0287	0.0576
TZS	0.0450	0.0684
AED	30.63	41.80
RWF	0.0513	0.1303

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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