Friday, October 31, 2025

Domestic Market Developments

The Kenyan shilling was stable against the U.S. dollar on Thursday, supported by solid foreign exchange inflows that offset moderate dollar demand from importers. Overall market activity remained muted through the day.

The shilling is likely to remain steady in the near term, with light trading and balanced flow expected to keep the USD/KES contained as the week ends.

International News

US market.

The US Dollar rose for a second straight day, climbing to the 99.25 level in Thursday's European session, riding on the hawkish comments from Fed Chair Jerome Powell the previous day when the FED cut rates by 25 basis points and investors took the outlook for the Sino–US trade deal as positive.

President Trump said he had an "amazing" call with China's Xi Jinping, agreeing to cut tariffs and boost trade in rare earths, with China pledging to resume US soybean purchases. Trump said a full deal could come "very soon." Meanwhile the US shutdown continues.

Eurozone & UK markets

The EUR stabilized after dipping to a two-week low, as the European Central Bank left rates unchanged and reaffirmed its data-dependent, meeting-by-meeting approach. Policymakers highlighted risks from trade tensions and geopolitical uncertainty, maintaining a cautious outlook.

The Pound remained under pressure as weak UK productivity forecasts, and a dovish Bank of England stance weighed on sentiment. It remained under pressure after the UK's Office for Budget Responsibility reportedly lowered its productivity growth forecast by 0.3%, a revision that could widen the fiscal gap by around £20 billion.

Japan market

The Japanese Yen was steady against the US Dollar, hovering near its lowest level since February. Tokyo inflation accelerated, supporting the case for Bank of Japan tightening but the uncertainty over the timing of the next rate hike and expectations of aggressive fiscal spending under Prime Minister Sanae Takaichi limited JPY gains.

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	139.54	159.09
GBP	161.09	179.97
CHF	151.92	169.27
JPY	77.54	89.29
ZAR	5.84	10.04
CAD	86.75	99.26
UGX	0.0287	0.0575
TZS	0.0454	0.0684
AED	30.63	41.79
RWF	0.0515	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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