

GLOBAL MARKETS

DAILY MARKET NEWS



Monday, December 15, 2025

Domestic Market Developments

The local unit continued its winning streak against the greenback on Friday, following a week characterized by weak corporate demand and strong foreign currency inflows. In the near term, we expect the pair to trade within the recently established ranges, barring any major economic events.

International News

US market.

The US dollar gained slightly on Friday but remained on track for its third consecutive weekly decline, weighed down by expectations of interest rate cuts in the coming year. The Federal Reserve cut interest rates last week as widely anticipated. However, investors interpreted comments from Chair Jerome Powell and the accompanying policy statement as less aggressive than expected, which renewed selling pressure on the dollar.

Eurozone & UK markets

The EUR/USD pair held firm on Friday following commentary from several Federal Reserve officials, which tempered expectations for further immediate easing despite Wednesday's interest rate reduction. In Europe, Germany's Harmonized Index of Consumer Prices (HICP), the European Central Bank (ECB) inflation measure, dipped 0.5% MoM in November, as expected, aligned with October's print. On an annual basis, it remained at 2.6%, as estimated by analysts.

The British Pound declined against major currencies on Friday following data showing the UK economy shrank for the second consecutive month in October. Gross Domestic Product (GDP) unexpectedly contracted by 0.1%, contrary to forecasts of 0.1% growth. This persistent economic weakness bolsters market expectations that the Bank of England will cut interest rates at its upcoming policy meeting. Traders are widely anticipating a 25-basis-point reduction, which would lower the main interest rate to 3.75%.

Japan market

The Japanese Yen (JPY) gains ground at the start of the new week, supported by improved business confidence that reinforces expectations for further policy tightening by the Bank of Japan (BoJ). This follows recent hawkish signals from BoJ Governor Kazuo Ueda, strengthening market bets for an imminent rate hike later this week. Additionally, a slight weakening in global risk sentiment has further boosted the appeal of the safe-haven Yen.

Short-end market Rates

Country				
91 Day T-Bill	7.78%	10.99%	5.93%	7.41%
182 Day T-bill	7.80%	13.40%	5.91%	7.58%
364 Day T-bill	9.37%	14.90%	6.24%	8.43%
Inflation Rate	4.56%	3.20%	3.50%	7.10%
Interbank	9.24%	9.15%	5.92%	6.85%

Quotes on the major currencies.

	Buy	Sell
USD	125.00	133.50
EUR	140.45	160.10
GBP	162.15	180.30
CHF	151.20	169.25
JPY	76.95	88.30
ZAR	5.95	10.10
CAD	86.90	99.35
UGX	0.0281	0.0563
TZS	0.0454	0.0687
AED	30.65	41.80
RWF	0.0514	0.1300

Indicative Deposit rates

Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP
Call	3.15%	0.85%	0.0%
1 month	4.60%	2.10%	0.05%
3 months	4.60%	2.10%	0.05%
6 months	4.60%	2.00%	0.00%

Corporate Sales: Collins M, **Retail Sales:** Hellen M. Direct No: 0711 056 213/629

Director and Head of Sales: Bernard Matimu Direct No: 0711 056 328 213/629



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