GLOBAL MARKETS
DAILY MARKET NEWS

NCBA

Tuesday, January 6, 2026

Domestic Market Developments

The Kenyan shilling traded largely sideways against the US dollar on Monday, as balanced importer demand and steady exporter supply continued to anchor USD/KES within a tight consolidation range. Market participation remained light, with limited directional conviction amid the absence of meaningful domestic or global catalysts.

As the week progresses, USD/KES is expected to remain range-bound in the near term, with traders likely to continue respecting recent support and resistance levels unless fresh flow dynamics or macroeconomic drivers emerge.

International News

US market.

In the early European session, the US dollar has rebounded toward its pre-Christmas highs, underpinned by mild safe-haven demand after sharp developments in Venezuela. However, that support faded after the release of weaker-than-expected US ISM Manufacturing Purchasing Managers Index (PMI) data. The ISM Manufacturing PMI remained in contraction territory in December at 47.9, below the market forecast of 48.3 and edging lower from November's 48.2 reading. The ISM Manufacturing Prices Paid Index stood at 58.5.

Eurozone & UK markets

The Euro was trading defensively, lagging most G10 counterparts amid a sentiment-led pullback and an absence of new catalysts. With ECB expectations largely unchanged and Euro area CPI due midweek, EUR/USD pair drifted toward technical support, pointing to near-term range-bound price action rather than a clear directional break.

The pound was modestly stronger, outperforming most G10 peers despite a thin domestic data calendar. With broader risk sentiment steady and options markets lacking clear directional cues, the pound's resilience appears supported by geopolitical flows and continued confidence in the US-UK relationship.

Japan market

The Japanese yen is drawing dip-buying interest amid renewed intervention concerns and expectations of further BoJ policy tightening. However, uncertainty over the timing of the next rate hike and a constructive risk backdrop are limiting safe-haven demand. Still, diverging BoJ–Fed policy paths may favor the lower-yielding yen and pose a headwind to USD/JPY.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
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	4.46%	3.20%	3.50%	7.10%
Interbank	9.24%	9.15%	5.92%	6.85%

Quotes on the major currencies.

	Buys	Sells
USD	125.00	133.80
EUR	141.24	162.56
GBP	164.83	185.06
CHF	152.99	173.57
JPY	73.31	87.63
ZAR	6.13	10.52
CAD	88.34	101.04
UGX	0.0276	0.0556
TZS	0.0453	0.0683
AED	30.70	41.89
RWF	0.0513	0.1303

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%

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