

# GLOBAL MARKETS

## DAILY MARKET NEWS



**Wednesday, January 7, 2026**

### Domestic Market Developments

The Kenyan shilling traded sideways against the US dollar on Tuesday, as importer demand and exporter supply remained balanced, keeping USD/KES within a tight range. Market activity was subdued, with little directional momentum amid a lack of major domestic or global drivers.

As the week unfolds, USD/KES pair is likely to stay range-bound, with traders expected to adhere to recent support and resistance levels unless new flow patterns or macroeconomic factors come into play.

### International News

#### US market.

The US Dollar Index weakened as investors largely looked past rising tensions between the US and Venezuela, while economic data added to the pressure. The ISM Manufacturing PMI fell for a third straight month to 47.9 in December, marking its lowest reading since October 2024 and signaling continued contraction in the sector.

Meanwhile, Fed official Neel Kashkari said that interest rates are near neutral, inflation remains elevated, and unemployment could rise, underscoring growing economic risks.

#### Eurozone & UK markets

The EUR/USD pulled back toward the 1.1700 level after being rejected near 1.1740. The move followed a downward revision to the Eurozone Services PMI, which was adjusted to 52.4 from the preliminary 52.6 in December. At the same time, soft US data, dovish Fed remarks, and a risk-on mood weighed on demand for the US Dollar.

EUR/GBP traded sideways as investors awaited a fresh macroeconomic catalyst from the Eurozone. The Pound remained supported by expectations that the Bank of England will pursue a very gradual easing cycle in 2026. Meanwhile, attention turned to German inflation data, which could influence expectations for future European monetary policy.

#### Japan market

The Japanese Yen rebounded from a mild Asian-session dip against a softer US Dollar, though gains were limited by mixed signals. Expectations that the Bank of Japan will continue policy normalization, contrasting with a dovish Fed outlook, along with rising geopolitical tensions, helped support the yen's safe-haven appeal.

### 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	4.46%	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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