

GLOBAL MARKETS

DAILY MARKET NEWS



Monday, January 12, 2026

Domestic Market Developments

The local unit closed the week with the recent theme of subdued market activity continuing, which constrained the domestic unit's movement against the dollar to within a narrow trading band.

Ahead of the week, market chatter alludes to range bound trading, with the USDKES currency pair expected to hold within the now familiar territory.

International News

US market.

The US Dollar extended gains for the fourth consecutive day on Friday, reaching levels for first time in the last four weeks. The Greenback garnered support from a cautious market, with US President Donald Trump's tariffs and December's payrolls report in focus. A mild risk-off tone amid growing geopolitical tensions in different regions of the world has been a key source of support for the Greenback over the last two weeks.

This week's data calendar will feature consumer and producer price indices, retail sales, jobless claims and Fed officials' comments.

Eurozone & UK markets

The Euro slid 0.7% week on week, as Dollar strength overshadowed mixed US payrolls and housing data. Consumers consumption in the Eurozone increased in November, up 0.2% MoM an improvement compared to October's flat reading and beat estimates. German data was also mixed, as Industrial Production exceeded forecasts, though the trade balance narrowed as exports declined.

The Pound Sterling retreated on Friday after December's NFP report delivered mixed figures reinforcing US labor market resilience. Despite the global flight to safety and reduced bets for more aggressive policy easing by the Fed, renewed concerns about the US central bank's independence weigh on the US Dollar and benefit the GBP/USD pair. However, rising bets for two more interest rate cuts by the BoE in 2026 might hold back traders from placing aggressive bullish bets around the British Pound and cap the GBP/USD pair.

Japan market

The Japanese Yen remained pressured by reports that Japan's PM Takaichi may call an early election and the BoJ uncertainty. However, rising geopolitical tensions boost demand for traditional safe-haven assets and could help limit losses for the 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 | 4.46% | 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 | 133.50 |
| EUR | 140.57 | 161.82 |
| GBP | 162.34 | 182.99 |
| CHF | 151.61 | 171.97 |
| JPY | 76.13 | 87.44 |
| ZAR | 6.12 | 10.50 |
| CAD | 85.61 | 100.12 |
| UGX | 0.0278 | 0.0557 |
| TZS | 0.0446 | 0.0676 |
| AED | 30.63 | 41.81 |
| RWF | 0.0512 | 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% |

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