

GLOBAL MARKETS

DAILY MARKET NEWS



Friday, January 16, 2026

Domestic Market Developments

Thursday's session saw the local unit hover within a restricted range against its American counterpart as foreign currency flows evened out.

Maintaining this week's theme, a state of equilibrium gripped the market from the onset, as inflows from corporates and interbank players were equally met by appetite for the greenback from various sectors of the economy. Heading into the weekend, we expect the shillings trading direction to remain predominantly flow driven.

International News

US market.

The Dollar index hit its highest since early December on Thursday as solid U.S. data, upbeat bank earnings, lower oil, and positive Fed signals lifted equities. Jobless claims unexpectedly fell last week, while Philadelphia and New York Fed surveys signaled improving business conditions with rising new orders and easing price pressures. The Greenback may find additional support as Fed funds futures have pushed expectations for the next rate cut back to June, reflecting stronger labor market conditions and policymakers' concerns over sticky inflation.

Eurozone & UK markets

EUR/USD fell to a new yearly low on Thursday, courtesy of solid economic data in the US and broad-based US Dollar strength. Traders' appetite improved due to Trump moderating his rhetoric on Iran, while data in the Eurozone, failed to underpin the shared currency. Industrial Production in the Eurozone exceeded forecasts in November, rising 0.7% MoM, defying estimates for a slowdown to 0.5%. Focus shifts to Eurozone inflation and US Industrial Production for next direction.

GBP/USD registered modest losses, pressured by fading Fed cut hopes, intact Bank of England cut expectations, and lingering U.K. political and fiscal concerns. However, the UK economy returned to growth in November, with GDP rising 0.3%, beating forecasts of 0.1%.

Japan market

The USD/JPY pair posted modest gains near during the early Asian trading. Concerns that Japanese Prime Minister Sanae Takaichi will have more leeway to implement more fiscally expansionist policies weigh on the JPY and create a tailwind for the pair. Takaichi plans to dissolve parliament next week and call a snap parliamentary election to consolidate her power.

Short-end market Rates

Country				
91 Day T-Bill	7.73%	11.50%	7.49%	7.44%
182 Day T-bill	7.80%	13.50%	8.47%	7.50%
364 Day T-bill	9.20%	14.90%	8.91%	8.43%
Inflation Rate	4.49%	3.10%	3.20%	7.10%
Interbank	8.99%	9.78%	5.92%	6.85%

Quotes on the major currencies.

	Buy	Sell
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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