

GLOBAL MARKETS

DAILY MARKET NEWS



Wednesday, January 21, 2026

Domestic Market Developments

The shilling held steady against the greenback in yesterday's trading session, as the dearth of activity in the local foreign exchange market persisted.

Devoid of new market stirring events, we anticipate the USDKES pair to endure within the current tight but familiar levels.

International News

US market.

The dollar tumbled against a basket of currencies as geopolitical concerns triggered dumping dollar assets, as market players fretted about exposure to U.S. markets. The US Dollar Index, which tracks the performance of the American currency against six currencies, dropped 0.58%.

Eurozone & UK markets

The Euro jumped 0.7% against the U.S dollar as Trump's Greenland tariff threats triggered broad dollar selling. Markets remain risk averse as the US and Europe escalate the ongoing trade war. In the Eurozone, data released on Tuesday indicated that the German economy grew to 59.6 in January compared to 45.8 growth in December. Further, the sentiment about the Eurozone's economy has improved to 40.8 from 33.7 in December, better than expected readings of 35.2, indicating confidence in 2026 economic turnaround despite uncertainty over US trade policy.

The Cable traded guardedly in Tuesday's session as general dollar weakness offset softer labor data from the UK. Released data indicated that the unemployment rate stuck to near pandemic-era highs at 5.1% against 5.1% in October, matching consensus and the BoE's projection. However, labor demand worsened as payrolled employment fell -43k in December and -184k over 2025. Focus now turns to UK December inflation data set to be released later today.

Japan market

In early Wednesday trading, the yen remained steady despite general dollar weakness, as the Japanese currency struggled to gain any meaningful traction, as investors opt to wait for the outcome of a two-day BoJ meeting on Friday. Disquiets about Japan's fiscal health amid Prime Minister Sanae Takaichi's expansionary policies further undermine the JPY.

Short-end market Rates

Country				
91 Day T-Bill	7.70%	11.50%	7.49%	7.44%
182 Day T-bill	7.80%	13.50%	8.47%	7.58%
364 Day T-bill	9.20%	14.90%	8.91%	8.43%
Inflation Rate	4.49%	3.20%	3.20%	7.10%
Interbank	8.98%	9.78%	5.92%	6.85%

Quotes on the major currencies.

	Buy	Sell
USD	125.00	133.50
EUR	141.31	161.11
GBP	164.54	182.99
CHF	153.22	171.58
JPY	75.78	87.02
ZAR	6.16	10.57
CAD	87.68	100.33
UGX	0.0289	0.0580
TZS	0.0441	0.0668
AED	30.62	41.80
RWF	0.0514	0.1299

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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