

GLOBAL MARKETS

DAILY MARKET NEWS



Tuesday, January 27, 2026

Domestic Market Developments

The local unit portrayed a near flat performance against the US dollar picturing a stable FX environment. Market activity appeared subdued with stable reserves, moderate demand and no major external shock being reported.

International News

US market.

The US Dollar Index (DXY) continued to stay on the back foot amid concerns over Fed independence and US fiscal uncertainty. Speculation around President Trump's imminent nomination of the next Fed Chair has weighed on sentiment, with markets questioning the potential policy direction and influence within the FOMC. Additionally, downside stems from the risk of a partial US government shutdown ahead of the January 30 funding deadline, adding to macro uncertainty. Markets now await key data and Wednesday's Fed policy decision; any hawkish guidance may limit further USD downside.

Eurozone & UK markets

The euro posted gained 0.39% against the Greenback, following a dollar sell-off sponsored by US geopolitical jitters and tariff wars. Trade-war woes sponsored the advance of the EUR/USD pair last week. Although US President Donald Trump dropped tariffs of 10% to European countries over Greenland, he escalated tensions with Canada, threatening to impose 100% duties if they negotiate a trade deal with Beijing

The GBP/USD pair extended its rally upwards, with the Pound edging higher against the US Dollar on the stronger-than-expected UK Retail Sales and Purchasing Managers' Index data. These upbeat reports have led some speculators to predict a potential delay in further Bank of England rate cuts.

Japan market

The Japanese Yen (JPY) remained on the defensive through the Asian session on Tuesday amid concerns about Japan's fiscal health on the back of Prime Minister Sanae Takaichi's aggressive spending and tax cut plans. Apart from this, a generally positive risk tone is seen undermining the safe-haven JPY amid domestic political uncertainty ahead of a snap election on February 8. However, with the possibility of coordinated intervention from US and Japan, Yen moved away from its lowest level since November 2025, touched on Monday.

Short-end market Rates

Country				
91 Day T-Bill	7.73%	11.50%	7.49%	7.44%
182 Day T-bill	7.79%	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	143.19	164.84
GBP	165.28	186.21
CHF	155.84	176.81
JPY	77.48	88.98
ZAR	6.32	10.83
CAD	86.46	101.09
UGX	0.0281	0.0565
TZS	0.0439	0.0662
AED	30.63	41.81
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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