

GLOBAL MARKETS

DAILY MARKET NEWS



Monday, February 2, 2026

Domestic Market Developments

The Kenyan shilling traded flat against the US dollar during Friday's subdued session. Limited trading activity saw balanced supply and demand dynamics in the market, resulting in minimal price movement. The USD/KES pair is expected to remain range-bound in the near term, with direction in today's session dictated by flows from key market players and overall risk sentiment.

International News

US market

The US Dollar recovered part of its recent losses on Friday's trading session following the announcement of Kevin Warsh's nomination to succeed Jerome Powell as the next Chairman of the Federal Reserve. The news reassured investors about the preservation of the central bank's independence. The Dollar was also supported by the reports that the US Senate has advanced a spending agreement aimed at avoiding a federal government shutdown, easing recent political uncertainty. Additionally, the US PPI data boosted Greenback as data showed that the PPI rose by 0.5% MoM in December, above expectations, while annual inflation stands at 3.0%.

Eurozone & UK markets

The Euro declined on Friday following overall US Dollar strength supported by news of the nomination of Kevin Warsh as the next Fed Chair. The better-than-expected GDP figures in Germany and the Eurozone, and the uptick in German inflation failed to provide any significant support to the Euro during the session.

The Sterling retreated after the Trump administration announced Kevin Warsh nomination as the next Fed Chair. Additionally, a red-hot inflation report on the producer front boosted Greenback's appeal, hence undermining the Cable. This week, market participants will focus on BoE's monetary policy meeting in which the Bank Rate is expected to remain on hold.

Japan market

The Japanese yen depreciated against the Dollar in early Asian session, extending a sharp decline from the previous session after Prime Minister Sanae Takaichi said over the weekend that a weak yen could be a major opportunity for export industries, signaling support for a softer currency. PM Takaichi later clarified that her comments were aimed at promoting an economy resilient to currency fluctuations which in turn calmed the markets.

Short-end market Rates

Country				
91 Day T-Bill	7.63%	11.50%	7.49%	8.09%
182 Day T-bill	7.80%	13.50%	8.47%	8.16%
364 Day T-bill	9.21%	14.90%	8.91%	8.52%
Inflation Rate	4.49%	3.10%	3.60%	5.20%
Interbank	8.99%	10.56%	5.92%	6.85%

Quotes on the major currencies.

	Buy	Sell
USD	125.00	133.50
EUR	143.90	166.37
GBP	165.93	187.46
CHF	159.49	177.49
JPY	77.11	88.82
ZAR	6.70	10.36
CAD	87.96	101.20
UGX	0.0280	0.0525
TZS	0.0434	0.0653
AED	33.35	38.86
RWF	0.0685	0.1298

Indicative Deposit rates

	Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP	
Call	3.15%	0.85%	0.0%	
1 month	4.55%	1.90%	0.05%	
3 months	4.55%	1.90%	0.05%	
6 months	4.60%	1.85%	0.00%	

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