

GLOBAL MARKETS

DAILY MARKET NEWS



Thursday, February 5, 2026

Domestic Market Developments

The domestic currency remained firm against the U.S. dollar during midweek trading session as markets continued to witness matching demand and supply. In today's session, the home unit is expected to trade within its recent range, with the direction of the USD/KES pair influenced by activity from the respective counters.

International News

US market

The US Dollar extended its gains on Wednesday on hawkish signals from the Fed and expectations of a slower pace of US rate cuts. On data front, the ADP Employment Change showed private payrolls increased by just 22K in January, well below market expectations for 48K. The weak print carried extra weight given the postponement of official government data. ISM remained unchanged in January, with the ISM Services PMI holding steady at 53.8, matching the previous month's reading and surpassing the expected figure of 53.5. Today's US economic docket features the delayed release of the JOLTS Job Openings data, along with the usual Weekly Initial Jobless Claims.

Eurozone & UK markets

The Euro dipped by 0.10% during yesterday's North American session as strong US services PMI data supported the Dollar despite emerging labor market softness. Meanwhile, Preliminary Eurozone HICP figures revealed that consumer inflation slowed down to a 16-month low of 1.7% in January, although the core inflation, more relevant from a monetary policy point of view, remained steady. Beyond that, producer prices posted a slightly shorter-than-expected contraction, which might have kept the Euro from retreating further. Focus turns to today's ECB decision and remarks from Christine Lagarde on policy outlook and Euro strength.

The Pound came under pressure on Wednesday, as Cable traders hesitated to pick a meaningful direction ahead of BoE rate decision due later in London market session. The MPC is broadly expected to hold interest rates steady.

Japan market

The Japanese Yen extended its relative underperformance hovering at its weakest level in two weeks on the back of worries about the country's financial health, fueled by Prime Minister Sanae Takaichi's expansionary fiscal plans. Moreover, political uncertainty ahead of the snap election on February 8 continues to pressure the JPY.

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.

	Buys	Sells
USD	125.00	133.50
EUR	142.92	165.27
GBP	165.18	186.65
CHF	158.18	176.08
JPY	76.11	87.69
ZAR	6.73	10.42
CAD	87.67	100.88
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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