

GLOBAL MARKETS

DAILY MARKET NEWS



Wednesday, February 18, 2026

Domestic Market Developments

The local currency was largely unchanged against the dollar in Tuesday's session.

In the near term, we expect the home unit to remain range-bound, with underlying flows continuing to drive dynamics in the local FX market.

International News

US market

The U.S. dollar rose against major currencies on Tuesday extending the rebound from earlier in the session as geopolitical tensions from the ongoing U.S.-Iran nuclear talks unleashed more market uncertainty and a risk-off mood in the markets. Investors also looked ahead to key US economic data this week that could shape expectations for Federal Reserve against those of other major central banks. A tame inflation reading for January reinforced expectations that the US central bank will deliver more than one rate cut this year. Investors now await the release of the Fed's meeting minutes on Wednesday, advance GDP data, and the core PCE price index.

Eurozone & UK markets

EUR/USD fell modestly amid a risk-off impulse that underpinned the Greenback as tensions between the US and Iran, remain high.

The British pound was under pressure touching its weakest level since February 5, after fresh data signaled further softening in the UK labor market, reinforcing expectations of interest rate cuts from the Bank of England. Figures from the Office for National Statistics showed the ILO Unemployment Rate in the three months to December rose to 5.2%, up from 5.1% in November. Meanwhile, Average Earnings Excluding Bonus for the same period dipped from 4.4% to 4.2%, showing signs of cooling. Attention now shifts to the release of inflation data on Wednesday for the UK, with the CPI expected to dip from 3.4% to 3% in January.

Japan market

The yen was steady on Wednesday after data showed a rebound in Japanese manufacturer sentiment. Data released earlier showed Japanese exports rose for a fifth consecutive month in January. Meanwhile, the International Monetary Fund urged Japan to keep raising interest rates and avoid loosening fiscal policy further. The Trump administration announced three projects valued at \$36 billion to be financed by Japan, the first of some \$550 billion in projects Tokyo agreed to undertake to lower U.S. tariffs.

Short-end market Rates

Country				
91 Day T-Bill	7.61%	10.11%	5.09%	8.19%
182 Day T-bill	7.77%	11.66%	5.95%	8.37%
364 Day T-bill	8.98%	12.50%	6.23%	8.66%
Inflation Rate	4.40%	3.20%	3.30%	8.90%
Interbank	8.78%	9.97%	5.00%	7.00%

Quotes on the major currencies.

	Buy	Sell
USD	125.00	133.50
EUR	143.60	166.02
GBP	166.85	185.73
CHF	159.65	177.72
JPY	77.72	89.54
ZAR	6.25	10.85
CAD	87.88	101.13
UGX	0.0282	0.0529
TZS	0.0433	0.0651
AED	30.63	41.81
RWF	0.0599	0.1297

Indicative Deposit rates

	Amounts > KES 20 million	Amounts > 100,000	
Tenor	KES	USD	GBP
Call	2.90%	0.70%	0.0%
1 month	4.45%	1.90%	0.0%
3 months	4.45%	1.90%	0.0%
6 months	4.60%	1.85%	0.0%

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