Friday, February 20, 2026

Domestic Market Developments

A dearth in market activity left the USD/KES currency pair stuck in what is quickly becoming a familiar rut in Thursdays' trading.

In other domestic news, the closure of Kenya Pipeline Company (KPC) IPO has been extended by three days until Tuesday Feb 24th as the government looks to hit its target of KES 106.3B.

International News

US market

The dollar rose on Thursday, near a four-week high, as firm US data and a hawkish tone from the Federal Reserve trimmed expectations for aggressive easing this year. Rising tensions between the United States and Iran also pushed oil prices higher, lifting inflation concerns and supporting the currency. Initial jobless claims fell more than expected to 206K last week, signaling labour market resilience, while the 2025 trade deficit remained among the largest on record. Attention now shifts to Friday's US data docket, including the Core Personal Consumption Expenditures (PCE) Price Index, the advance estimate of fourth-quarter US Gross Domestic Product (GDP) and preliminary February Purchasing Managers Index (PMI) data.

Eurozone & UK markets

EUR/USD extended its decline on Thursday, as upbeat US economic data and fading expectations for near-term Federal Reserve interest rate cuts further lifted the Greenback.

The Pound Sterling extended its losing streak weighed by a firm Dollar for the fourth trading day on Thursday. The pair weakened further during European trading hours after Bank of England Monetary Policy Committee member Catherine Mann praised soft United Kingdom Consumer Price Index (CPI) data for January. In addition, Mann also expressed concerns over the rising UK Unemployment Rate. Going forward, major triggers for the British currency will be UK Retail Sales data for January and the flash S&P Global Purchasing Managers' Index (PMI) data for February, which will be published on Friday.

Japan market

The Japanese Yen is closing the week on the backfoot in early Asian trading, falling for the third consecutive session as both headline and core inflation rates slowed in January amid government measures to ease cost-of-living pressures. Headline inflation dropped to 1.5% from 2.1%, the lowest since March 2022, while core inflation matched the Bank of Japan's 2% target. The data allows the central bank more flexibility before interest rate hikes.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	7.59%	10.11%	5.09%	8.19%
182 Day T-bill	7.75%	11.66%	5.95%	8.37%
364 Day T-bill	8.90%	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.

	Buys	Sells
USD	125.00	133.50
EUR	142.94	165.28
GBP	166.02	184.75
CHF	159.22	177.22
JPY	76.92	88.62
ZAR	6.22	10.79
CAD	87.55	100.74
UGX	0.0282	0.0525
TZS	0.0431	0.0649
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%

Corporate Sales: Collins M, **Retail Sales:** Hellen M. Direct No: 0711 056 213/629
Director and Head of Sales: Bernard Matimu Direct No: 0711 056 328 213/629

NCBA Bank NCBA Bank ncbabankkenya