Friday, February 27, 2026

Domestic Market Developments

The Kenyan shilling continued to show stability against the US dollar, trading in a narrow range and resisting wider emerging-market currency volatility.

Balanced flows kept movements in the USD/KES pair range bound. In the near term, the local currency is expected to continue trading within a narrow band. Meanwhile, a staff mission from the International Monetary Fund is in Nairobi through March 4 to discuss a successor financing arrangement following the expiry of the previous program in April 2025.

International News

US market

The US Dollar climbed, recovering part of its previous losses despite dovish comments from Stephen Miran of the Federal Reserve, who signaled support for 1% rate cuts this year and downplayed inflation risks. Data showed Initial Jobless Claims for the week ending February 21 rose to 212K (vs. 215K expected and 208K prior), while Continuing Claims fell to 1.833 million, suggesting stabilization in the labor market. The dollar index, which measures the greenback against a basket of currencies rose 0.18% to 97.79.

Eurozone & UK markets

EUR/USD pared its intraday gains on Thursday`s trading session. European Central Bank President Christine Lagarde struck a confident yet cautious tone, reiterating that inflation remains on course to return to the 2% target over the medium term, with food price pressures expected to ease gradually into 2026.Data released on Thursday also showed that the European Central Bank trimmed some of its dollar holdings early last year, reducing the share of the dollar in its foreign exchange reserves.

GBP/USD declined almost 0.50% amid growing speculation that the BoE will reduce rates in the March meeting. Domestic political risks remained a key driver, with traders focused on a by-election in Manchester, widely viewed as a key test for Prime Minister Keir Starmer and his Labour Party.

Japan market

USD/JPY slipped 0.2% earlier today but remained on track to gain 0.7% for February. The yen's weakness reflects growing uncertainty over the timing of the next rate hike by the Bank of Japan, with doubts reinforced by softer-than-expected February consumer price index data from Tokyo.

Short-end market Rates

Country	Kenya	Uganda	Tanzania	Rwanda
91 Day T-Bill	7.58%	10.11%	5.09%	8.19%
182 Day T-bill	7.80%	11.66%	5.95%	8.37%
364 Day T-bill	8.79%	12.50%	6.23%	8.66%
Inflation Rate	4.40%	3.20%	3.30%	8.90%
Interbank	8.77%	9.97%	5.00%	7.00%

Quotes on the major currencies.

	Buys	Sells
USD	125.00	133.50
EUR	142.35	163.80
GBP	163.45	184.10
CHF	157.00	178.05
JPY	76.90	88.30
ZAR	6.36	10.89
CAD	86.80	101.50
UGX	0.0279	0.0559
TZS	0.0434	0.0657
AED	30.65	41.80
RWF	0.0513	0.1296

Indicative Deposit rates			
Amounts > KES 20 million		Amounts > 100,000	
Tenor	KES	USD	GBP
Call	2.85%	0.75%	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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