

Tuesday, March 3, 2026

Domestic Market Developments

The local unit retreated marginally against the greenback, as markets digested the impact of the middle east tensions on capital flows. The local unit is however expected to remain range bound as the delicate interplay between currency flows continues to buoy the local unit, resisting wider emerging market currency volatility.

International News

US market

The U.S. dollar advanced on Monday, with the dollar index climbing by 0.68 percent to 98.31, after touching 98.566 earlier in the session, its highest level since January 23, bolstered by rising energy prices and a shift toward safe-haven assets following reported Israeli and U.S. strikes in Iran that have raised fears of a broader regional conflict. Hostilities extended into Monday as Iran launched counterstrikes. The Iranian Revolutionary Guard claimed responsibility for attacks on three oil tankers affiliated with U.S. and British interests, while explosions were reported in the airspace above Doha and Dubai.

Eurozone & UK markets

The euro tumbled against the U.S. dollar on Monday, shedding more than 1%. The sharp lower move comes as market participants digest the implications of a widening regional war, which has sparked a flight to safety and sent oil prices soaring. In remarks that underscored the uncertain outlook, European Central Bank (ECB) policymaker Martin Kocher, who also heads Austria's central bank, suggested the institution must remain flexible. According to Kocher, the ECB should be prepared to adjust interest rates "in either direction" should the current climate of uncertainty persist.

The British pound fell against the U.S. dollar on Monday, shedding half a percent and touching its lowest level in eleven weeks. The currency is facing additional pressure from domestic political turbulence. Questions regarding Prime Minister Keir Starmer's leadership have resurfaced following a striking by-election result last week.

Japan market

The USD/JPY pair surged to a near three-week high of 157.35 during the early Asian session on Tuesday, as the US Dollar found fresh support from robust American economic figures. Investors in the Asian time zone are now turning their attention to scheduled remarks from Bank of Japan Governor Kazuo Ueda later in the session, seeking clues on the domestic policy outlook.

Short-end market Rates

| Country |  |  |  |  |
|----------------|---|---|---|---|
| 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 | 8.76% | 9.97% | 5.00% | 7.00% |

Quotes on the major currencies.

| | Buy | Sell |
|---|--------|--------|
|  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

| Tenor | Amounts > KES 20 million | | Amounts > 100,000 | |
|----------|--------------------------|-------|-------------------|------|
| | KES | USD | USD | GBP |
| Call | 2.85% | 0.75% | 0.75% | 0.0% |
| 1 month | 4.45% | 1.90% | 1.90% | 0.0% |
| 3 months | 4.45% | 1.90% | 1.90% | 0.0% |
| 6 months | 4.60% | 1.85% | 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



DISCLAIMER: Any opinion or other information in this e-mail is not an invitation to buy or sell any asset class. Legally binding obligations can only arise for or be entered into on behalf of NCBA by means of a written instrument signed by a duly authorized signatory. You are cautioned to ensure that you have made an independent decision in accordance with your own objectives, experience, operational and financial resources and any other appropriate factors including independent professional advice. No guarantee, warranty, or representation is made in respect of the performance or return on any transaction.