

GLOBAL MARKETS

DAILY MARKET NEWS



Thursday, March 5, 2026

Domestic Market Developments

The local currency fluctuated within a limited band against the U.S. dollar on Wednesday, as foreign exchange inflows and outflows were balanced on both sides of the market. In the near term, the currency's movement will be influenced by capital flows as markets digest the impact of middle east tensions.

International News

The U.S. dollar weakened on Wednesday, retreating from the multi-month highs it reached the previous day. The decline came as investors reduced their safe-haven holdings amid growing optimism that the Middle East conflict might be resolved sooner than previously expected.

Market confidence improved after a New York Times report revealed that Iran's Ministry of Intelligence had reportedly indicated to the U.S. Central Intelligence Agency its openness to potential discussions aimed at ending the war. The report cited officials familiar with the situation.

Eurozone & UK markets

EUR/USD remained steady on Wednesday after briefly falling to a three-month low the previous day. The currency pair stabilized as the U.S. Dollar paused following a two-day advance, while the Euro received mild support from positive economic data in the Eurozone. The Producer Price Index (PPI) increased by 0.7% month-on-month in January, recovering from a 0.3% decline in December and surpassing market expectations of a 0.2% rise.

GBP/USD recovered on Wednesday supported by optimism surrounding a potential easing of tensions between the United States and Iran. In the United Kingdom, Chancellor of the Exchequer Rachel Reeves stated that the government has the appropriate economic strategy for the country, noting that the conflict in the Middle East is contributing to inflationary pressures but emphasized the government's commitment to cushion the economy against external shocks.

Japan market

The USD/JPY pair traded lower in early Thursday's Asian session. On Wednesday, BoJ Governor Kazuo Ueda stated that he would closely monitor how developments in the Middle East could affect both Japan's domestic economy and global economic conditions. Finance Minister Satsuki Katayama noted that authorities are careful and ready to implement appropriate measures if necessary.

Short-end market Rates

Country				
91 Day T-Bill	7.58%	10.11%	4.85%	8.19%
182 Day T-bill	7.80%	11.66%	5.75%	8.37%
364 Day T-bill	8.79%	12.50%	6.17%	8.66%
Inflation Rate	4.40%	3.20%	3.30%	8.90%
Interbank	8.77%	9.97%	6.00%	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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