

## DOMESTIC NEWS

The Kenyan shilling remained stable against the dollar on Monday, trading at 128.65/129.65 per dollar, slightly appreciating from Friday's closing rate of 128.70/129.70. (Refinitiv).

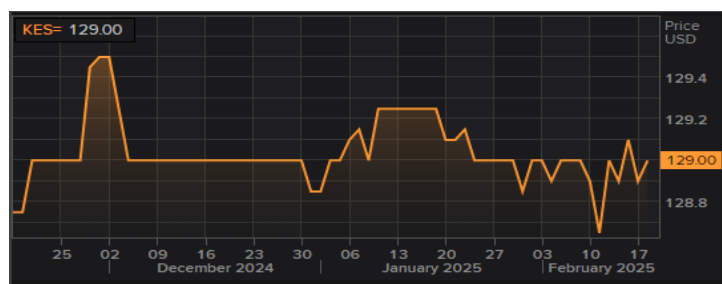
Kenyan government agencies' imports hit a record Sh110.9 billion in 2024, up from Sh62.07 billion in 2023, driven by a weakened shilling and a rising demand for foreign goods. Central Bank of Kenya (CBK) data shows imports peaked in October at Sh24.8 billion, while December recorded the lowest at Sh2.3 billion. Overall, total government and commercial imports rose to Sh2.7 trillion. Under President William Ruto, state agency imports have surpassed those under former President Uhuru Kenyatta, despite the Buy Kenya-Build Kenya initiative, which promotes local products, losing momentum in recent years. (Business Daily)

On other local news The U.S. government, under a supposed second term of Donald Trump, has cut over Sh108 billion (\$839.47 million) in USAID contracts in Kenya as part of foreign aid reductions linked to the "America First" policy. It claims that key programs in trade, education, energy, and governance have been abruptly terminated, impacting thousands of beneficiaries. Additionally, it mentions a non-existent entity called the Department of Government Efficiency (DOGE), supposedly led by Elon Musk, as overseeing the cuts. The report further states that Trump initiated a 90-day review of foreign aid, resulting in sudden cancellations and disruptions for workers, NGOs, and contractors. However, the claims are factually incorrect, as Trump is not currently in office, DOGE does not exist, and there is no credible evidence supporting these large-scale USAID terminations, making the report unreliable. (Business Daily)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.40	134.40	124.40	134.40
GBP/KES	160.29	173.29	159.49	174.19
EUR/KES	130.75	144.65	131.05	147.55
AED/KES	31.23	44.23	33.23	44.73

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	7.00%	1.50%
1 Month	7.25%	2.25%
3 Months	7.50%	2.75%
6 Months	7.75%	3.00%
1 year	8.00%	3.50%



USD movement from December 2024 – Date (Source: Reuters)

## INTERNATIONAL NEWS

Most Asian currencies traded within a flat-to-low range on Tuesday, while the dollar remained steady after recent losses as traders awaited the implementation of increased trade tariffs under U.S. President Donald Trump. The dollar index showed little movement following overnight declines. Trump announced 20% tariffs on China and 25% tariffs on Canada and Mexico, effective Tuesday, prompting backlash from the affected nations and potential retaliatory measures from China. While the tariffs are expected to strengthen the dollar and potentially raise U.S. inflation, the currency found little support due to concerns over weakening consumer confidence and speculation about a major trade policy overhaul similar to the 1985 Plaza Accord, which could focus on weakening the dollar to boost U.S. trade.

GBP/USD rose 0.1% to 1.2590, supported by hopes of European leadership in Ukraine peace talks, though it remains influenced by external factors. EUR/USD rebounded 0.2% to 1.0394, driven by optimism over peace talks, while upcoming eurozone inflation data could impact future ECB rate decisions. USD/CNY remained stable at 7.2857 due to government support, as China considered further retaliatory trade measures against the U.S. The Australian dollar AUD/USD fell 0.3%, pressured by trade tensions, while the Indian rupee USD/INR gained 0.1%, showing slight strength against the dollar.

Gold prices remained largely stable in Asian trading on Tuesday, benefiting from safe-haven demand as U.S. President Donald Trump's tariffs on Mexico and Canada took effect. Spot gold held steady at \$2,892.98 per ounce, while April gold futures inched up 0.1% to \$2,903.87 per ounce. The tariffs, set at 25%, were implemented as part of Trump's efforts to curb illegal immigration and drug trafficking. Additionally, Trump signed an order to raise tariffs on Chinese goods from 10% to 20%, further escalating trade tensions.

In other commodities news, Oil prices continued to decline as OPEC+ confirmed its plan to increase output in April, while markets prepared for the impact of new U.S. tariffs on Canada, Mexico, and China. Brent crude fell 0.7% to \$71.13 per barrel, and WTI crude dropped 0.4% to \$68.11. Analysts pointed to the combination of rising supply and escalating trade tensions as key factors behind the downturn. Geopolitical uncertainties, including the Russia-Ukraine conflict and President Trump's decision to pause military aid to Ukraine after a dispute with President Zelenskiy, also contributed to market concerns. OPEC+ announced its first production increase since 2022, planning to boost output by 138,000 barrels per day starting in April. (investing.com).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0288	1.0690
GBP/USD	1.2498	1.2904
USD/ZAR	16.6204	20.6337
USD/AED	3.6524	3.6930
USD/JPY	147.38	151.38