

DOMESTIC NEWS

The Kenyan shilling remained stable on Wednesday, trading at 129.00/129.80 per U.S. dollar, slightly weaker than Tuesday's 128.90/129.40. (Refinitiv).

The Energy and Petroleum Regulatory Authority (Epra) has raised dealer margins by Sh7.80 per litre, leading to an expected increase in fuel prices. Petrol, diesel, and kerosene will see price hikes, with petrol currently retailing at Sh176.58 in Nairobi. The adjustments, the first since 2018, aim to support oil marketers and transporters struggling with rising costs. Epra defends the move, citing inflation and the need to keep businesses afloat, as some small oil firms consider selling to larger operators. Meanwhile, OLA Energy has announced job cuts due to high operational expenses. The new prices could take effect from March 15 to April 14.

On other local news, The National Assembly has approved the 2025/26 Budget Policy Statement (BPS), allocating Sh405 billion to county governments as equitable revenue share and Sh69.8 billion as additional allocations. The national budget ceiling is set at Sh2.5 trillion, with the Executive receiving Sh2.4 trillion, Parliament Sh49.5 billion, and the Judiciary Sh26.7 billion. Other allocations include Sh7.9 billion for the Equalization Fund, Sh3.5 billion for arrears, Sh3 billion for public participation, and Sh8.7 billion for the Auditor General's office. The BPS aims to enhance economic growth, reduce the cost of living, and improve public investment efficiency while ensuring fiscal discipline through expenditure rationalization and tax base expansion. Ministries and agencies have been urged to prioritize essential projects and eliminate wasteful spending in the upcoming budget. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.25	134.25	124.25	134.25
GBP/KES	163.46	176.46	162.66	177.36
EUR/KES	135.78	149.68	136.08	152.58
AED/KES	31.19	44.19	33.19	44.69

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	6.50%	1.50%
1 Month	6.75%	2.25%
3 Months	7.00%	2.75%
6 Months	7.25%	3.00%
1 year	7.50%	3.50%



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

INTERNATIONAL NEWS

Asian currencies edged higher on Thursday after recent losses, but sentiment remained weak due to global trade tensions and U.S. recession fears. The dollar steadied following a mild rebound, supported by a rise in Treasury yields, despite softer-than-expected CPI inflation data for February, which still indicated sticky inflation.

President Trump's 25% tariffs on steel and aluminum took effect this week, with potential higher tariffs on Europe, which could further fuel inflation. Market focus now shifts to U.S. producer price index (PPI) data for February, as a softer reading may increase chances of Federal Reserve rate cuts in its upcoming meeting.

The euro remained steady on Wednesday, while the dollar recovered slightly, rising 0.2% to 103.54 on the dollar index, as traders reacted to Trump's new steel and aluminum tariffs and awaited key U.S. CPI data. The euro edged down 0.1% to \$1.0911, while GBP/USD extended gains to 1.2960, supported by dollar weakness amid tariff uncertainty and recession fears.

Meanwhile, USD/JPY declined toward 148.00 as risk aversion and trade war concerns boosted the yen, while diverging policies between the BoJ and Fed also weighed on the pair. The PBOC set the USD/CNY fix at 7.1728, slightly higher than the previous 7.1696, reflecting cautious sentiment in the Chinese yuan market.

Gold prices rose in Asian trading on Thursday, with spot gold up 0.4% to \$2,945.18 per ounce and gold futures gaining 0.2% to \$2,953.62, as soft U.S. inflation data fueled rate cut expectations and Trump's new tariff threats boosted safe-haven demand. Meanwhile, copper prices dipped after the Trump administration moved to add copper to its trade protections, with London Metal Exchange copper futures falling 0.2% to \$9,763.80 per ton and April copper futures down 0.2% to \$4.8340 per pound.

On other commodities Oil prices edged lower on Thursday after a strong rally in the previous session driven by a larger-than-expected draw in U.S. gasoline stocks. Brent crude fell 5 cents to \$70.90 per barrel, while WTI slipped 10 cents to \$67.58. Despite a 2% gain on Wednesday, macroeconomic concerns, including global tariff wars, weighed on sentiment. U.S. gasoline inventories dropped by 5.7 million barrels, far exceeding the 1.9-million-barrel forecast, raising expectations for higher seasonal demand in spring, according to Hiroyuki Kikukawa of Nissan Securities.

(investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0671	1.1072
GBP/USD	1.2746	1.3151
USD/ZAR	16.3906	20.3975
USD/AED	3.6525	3.6931
USD/JPY	145.72	149.75