

DOMESTIC NEWS

The Kenyan shilling remained stable in early trade on Friday, quoted at 129.25/129.75 per dollar, slightly weakening from Thursday's close of 129.25/129.65. (Refinitiv).

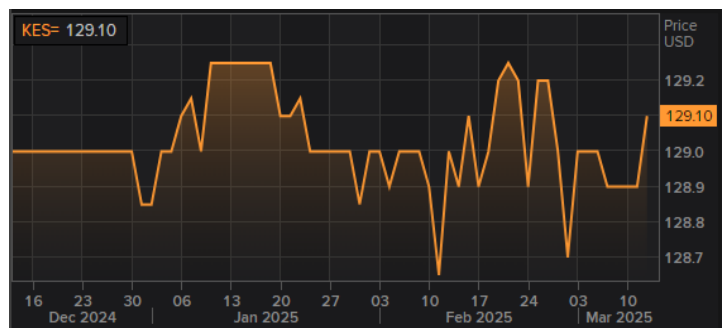
The National Treasury plans to fully automate public tendering by July 1, 2025, revising President Ruto's directive for a digital procurement system by March. Treasury CS John Mbadi stated that all government departments would be onboarded by April, followed by a three-month test run. The e-procurement system (e-GP), costing Sh5.05 billion, has faced multiple delays since its planned July 2023 rollout due to budget constraints. Backed by IMF reforms, it aims to enhance transparency and curb corruption in public procurement, addressing concerns raised by the US over bribery. Treasury has already digitized claims payments via Ifmfs, disrupting cartels that exploited suppliers through delayed approvals.

On other local news, Kenya's public debt payments rose by Sh68.7 billion to Sh666.3 billion in the six months to December 2024, mainly due to higher domestic interest costs. Domestic debt payments increased to Sh432.83 billion, with interest payments surging to Sh325.7 billion. The total public debt stock grew to Sh10.93 trillion, with 54% owed to domestic lenders. While external debt slightly declined due to a stronger shilling, domestic borrowing rose by 8%. The government plans to pay Sh1.91 trillion in debt for the 2024/25 fiscal year, with Sh1.32 trillion allocated to domestic obligations. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.45	134.45	124.45	134.45
GBP/KES	163.44	176.44	162.64	177.34
EUR/KES	135.92	149.82	136.22	152.72
AED/KES	31.25	44.25	33.25	44.75

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 remained steady against a muted U.S. dollar on Monday as investors awaited key interest rate decisions from the U.S., Japan, and China. The U.S. Dollar Index held at 103.71, slightly above a recent four-month low. Markets are focused on the Federal Reserve's meeting, where rates are expected to remain unchanged, with attention on its commentary regarding tariffs and inflation. The Bank of Japan is also expected to maintain its 0.5% interest rate despite inflation concerns and trade tensions linked to U.S. tariffs. Meanwhile, China announced a special action plan to boost consumption amid fresh economic data releases.

EUR/USD: The euro weakened to 1.0851, sliding further from its five-month peak due to EU-U.S. trade tensions and Germany's difficulty in passing a major spending plan. Morgan Stanley sees potential for a rally to 1.12, but ING warns that momentum is fading, with upcoming trade tariffs and German political uncertainty adding pressure.

GBP/USD: The British pound fell 0.1% to 1.2937 after data showed the U.K. economy contracted by 0.1% in January, missing expectations. This increases the likelihood of further Bank of England rate cuts, even as inflation remains at 3.0%, above the central bank's target.

USD/JPY: The yen weakened as USD/JPY jumped 0.8% to 148.95 following reports that the Bank of Japan is unlikely to raise rates in May. This dampened investor bets on further rate hikes, which had been supporting the yen in recent weeks.

USD/CNY: The Chinese yuan strengthened slightly as USD/CNY traded 0.2% lower to 7.2306. The yuan was supported by China's central bank announcing plans for additional monetary tools, including potential rate cuts, to stimulate economic growth and maintain currency stability.

Oil prices rose as the U.S. vowed to continue strikes against Yemen's Houthis over shipping attacks. Brent crude hit \$70.99, and WTI reached \$67.58. The strikes, the largest under Trump, have disrupted trade and led to at least 53 deaths. Oil rebounded after weeks of decline amid global economic concerns.

On other commodities gold prices hit a record high, surpassing \$3,000 per ounce, driven by fresh U.S. tariff threats and soft inflation data. Spot Gold rose 0.6% to \$3,009.11, peaking at \$3,017.11, while April Gold Futures gained 0.3% to \$2,998.78. Both were set to rise by over 3% for the week as trade tensions and economic concerns boosted demand for the safe-haven asset. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0678	1.1080
GBP/USD	1.2731	1.3137
USD/ZAR	16.2231	20.2388
USD/AED	3.6524	3.6930
USD/JPY	147.04	151.07