

## DOMESTIC NEWS

The Kenyan shilling remained stable on Tuesday, supported by foreign exchange inflows from sectors like horticulture. It was quoted at 129.15/129.55 per dollar, slightly strengthening from Monday's 129.20/129.60. (Refinitiv).

The Energy and Petroleum Regulatory Authority (Epra) has scheduled further increases in oil marketers' margins in July 2025 and July 2026, following the first round implemented in March 2025. The adjustments, based on a Cost-of-Service Study (Cossop), aim to benefit oil marketers and fuel transporters.

In the March 15 – April 14 pricing cycle, Epra raised margins per litre of petrol, diesel, and kerosene, alongside increases in fuel transport and storage charges. However, fuel prices remained unchanged due to higher subsidies, leading to increased taxpayer compensation for oil marketers. The remaining margin adjustments will be factored into pump prices over the next two years.

In other local news a survey of Kenyan CEOs found that inflation is one of the top concerns for businesses. 48% of the CEOs expect the economy to slow down, while 25% predict a contraction within the next 12 months. Rising costs of goods and services, supply chain disruptions, and high credit costs are key factors contributing to inflation worries. Despite these concerns, many business leaders remain optimistic and plan to expand their operations. (Business Daily).

## Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	124.35	134.35	124.35	134.35
<b>GBP/KES</b>	163.27	176.27	162.47	177.17
<b>EUR/KES</b>	134.57	148.47	134.87	151.37
<b>AED/KES</b>	31.22	44.22	33.22	44.72

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



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

## INTERNATIONAL NEWS

The U.S. dollar strengthened on Tuesday following strong U.S. services PMI data, contrasting with economic weakness in Europe and Japan. However, gains were limited due to uncertainty over U.S. trade policies. Concerns remain that tariffs could impact economic activity and inflation. Analysts at ING highlighted a growing divide between the rebounding U.S. services sector and the struggling manufacturing sector. Markets are closely watching consumer confidence data for further direction. President Trump's comments about selective tariff impositions also influenced market sentiment. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% higher to 104.000, hovering near a three-week top.

The euro weakened, with EUR/USD falling 0.2% to 1.0786, reaching its lowest level since early March. Despite a slight improvement in Germany's Ifo consumer sentiment survey, gains were below expectations, following weak PMI data. Market focus is on the Russia-Ukraine peace talks in Saudi Arabia, with hopes that progress toward a ceasefire could boost European sentiment and support the euro.

The British pound weakened, with GBP/USD falling 0.1% to 1.2913, hitting a two-week low. Market sentiment is cautious ahead of U.K. Chancellor Rachel Reeves' spring statement today, where she is expected to announce a significant downgrade to the country's economic growth forecast for the year.

In Asia, USD/JPY dipped slightly to 150.62 after reaching a three-week high of 150.92, following weak Japanese factory activity. Meanwhile, USD/CNY rose 0.1% to 7.2630, reflecting a modest strengthening of the U.S. dollar against the Chinese yuan.

Oil prices rose on Wednesday due to supply concerns as the U.S. increased efforts to restrict Venezuelan and Iranian oil exports. A larger-than-expected drop in U.S. crude inventories also supported prices. Brent crude futures climbed 0.3% to \$73.22 per barrel, while U.S. West Texas Intermediate (WTI) crude futures increased 0.3% to \$69.20 per barrel.

On other commodities, gold prices edged lower in Asian trade on Wednesday due to profit-taking, as traders awaited clarity on U.S. President Donald Trump's tariff plans. Despite the dip, gold remained above \$3,000 an ounce and near record highs from earlier in March, with demand for safe-haven assets staying resilient. Spot gold fell 0.1% to \$3,015.73/oz, while May gold futures dropped 0.2% to \$3,048.25/oz. (investing.com).

## Indicative Cross Rates

	Bid	Offer
<b>EUR/USD</b>	1.0585	1.0986
<b>GBP/USD</b>	1.2731	1.3136
<b>USD/ZAR</b>	16.2574	20.2673
<b>USD/AED</b>	3.6529	3.6932
<b>USD/JPY</b>	148.53	152.56