

DOMESTIC NEWS

The Kenyan shilling was stable against the dollar on Thursday, data from the London Stock Exchange Group (LSEG) showed. The shilling traded at 129.15/129.65, compared with 129.10/129.60 at Wednesday's close. (Refinitiv).

Kenya has formally requested a new IMF program due to ongoing cash shortages, revenue shortfalls, and unexpected spending pressures. The IMF acknowledged the request and emphasized the need for a revised fiscal strategy to ensure sustainability. However, details on the size and type of the program have not yet been disclosed. The IMF has acknowledged Kenya's formal request for a new funding arrangement, highlighting the country's ongoing efforts to manage its debt and finance critical expenditures. As of December 31, 2024, Kenya's outstanding purchases and loans from the IMF stood at 2,886.31 million Special Drawing Rights (SDR). (Reuters).

In other local news, The Central Bank of Kenya is anticipated to maintain the benchmark interest rate at 10.75% during its upcoming meeting on April 8. Analysts project a potential rate cut to 10.00% in May, followed by a further reduction to 9.50% later in the year, as inflationary pressures ease. (Reuters).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.35	134.35	124.35	134.35
GBP/KES	163.39	176.39	162.59	177.29
EUR/KES	134.66	148.56	134.96	151.46
AED/KES	31.22	44.22	33.22	44.72

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

The U.S. dollar slipped slightly on Thursday after reaching a three-week high in the previous session. The muted market reaction to new trade tariffs suggests that investors may have already priced in the impact, or they are waiting to assess how tariffs will affect business confidence and investment in the coming months. Analysts suggest that concerns over U.S. economic growth and inflation could shift investor focus to upcoming economic data, including fourth-quarter GDP figures and jobless claims.

The British pound (GBP/USD) rose 0.3% to 1.2925, recovering from the previous session's decline as traders reacted to Finance Minister Rachel Reeves' latest fiscal update. Reeves scaled back spending plans, providing reassurance to investors. Additionally, U.K. inflation eased to 2.8% in February from 3.0% in January, boosting confidence. Analysts noted that the Office for Budget Responsibility's positive outlook on government planning reforms also supported the pound's recovery.

The euro (EUR/USD) rose 0.2% to 1.0774, recovering from a three-week low despite concerns over U.S. trade tariffs on automotive imports. European carmakers exported around 800,000 vehicles to the U.S. last year, significantly more than the U.S. exported to Europe. Analysts suggest that potential European retaliation and a possible global trade war could weigh on the euro in the future.

In Asia, the USD/JPY remained steady at 150.57, while the USD/CNY dipped 0.1% to 7.2639. Most Asian currencies showed little movement as investors remained cautious ahead of former U.S. President Donald Trump's April 2 deadline, which could bring additional tariff announcements.

Oil prices hovered near one-month highs, heading for a third weekly gain due to U.S. sanctions on Venezuelan and Iranian oil, tightening supply. Brent crude dipped to \$73.89, while WTI fell to \$69.80. Strong U.S. demand also supported prices, but analysts warn that economic risks from U.S. tariffs may limit further gains. Brent is projected to average \$76 per barrel in 2025, down from \$80 in 2024.

On other commodities, gold prices reached a record high in Asian trading on Friday, driven by strong safe-haven demand following steep U.S. tariffs on the auto sector. Investors are also anticipating the PCE price index reading, the Federal Reserve's preferred inflation gauge, which could influence expectations for interest rate cuts. Gold has surged throughout March due to rising geopolitical tensions, concerns over Trump's tariffs, and fears of a U.S. recession. Spot gold climbed 0.6% to \$3,073.79 per ounce, after hitting a record \$3,077.67, while May gold futures rose 0.7% to \$3,112.72 per ounce. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0585	1.0986
GBP/USD	1.2741	1.3146
USD/ZAR	16.2574	20.2673
USD/AED	3.6528	3.6932
USD/JPY	148.66	152.68