

DOMESTIC NEWS

The Kenyan shilling strengthened against the U.S. dollar on Tuesday, trading at 128.60/129.60 per dollar compared to Friday's 129.20/130.20. (Refinitiv).

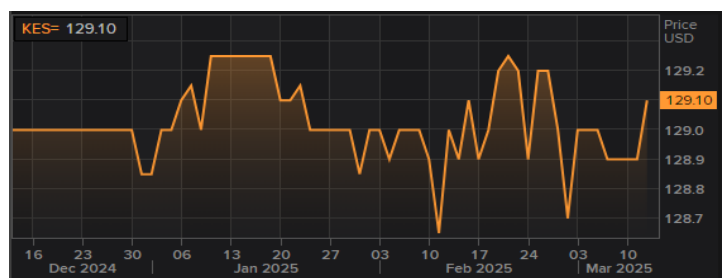
Kenya's inflation rate rose to 3.6% in March 2025, up from 3.5% in February, marking the highest level in six months. The increase was driven mainly by rising food prices, particularly sukuma wiki (+34.2%), tomatoes (+29.3%), and potatoes (+15.3%) compared to March 2024. Between February and March 2025, sukuma wiki prices increased by 6.2%, potatoes by 4.5%, and maize by 3.3%. The food and non-alcoholic beverages sector (+6.6%) and the transport sector (+1.5%) were the primary contributors to the rise in inflation, which has been increasing since October 2024 when it stood at 2.7%.

In other local news, Kenya's exports to the US grew by 22.81% in 2024 to Sh72.96 billion, recovering from a previous decline, mainly due to increased demand for apparel and textiles. The US became Kenya's second-largest export destination outside the EAC, overtaking the Netherlands, while Pakistan remained the top market despite a slight drop in exports. The growth comes amid uncertainty over the renewal of the African Growth and Opportunity Act (Agoa), which expires in September 2025. While bipartisan support exists for extending Agoa to 2041, concerns remain over potential tariff changes under President Trump's protectionist trade policies, though President Ruto has expressed confidence in its renewal. (Reuters).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.25	134.25	124.25	134.25
GBP/KES	162.91	175.91	162.11	176.81
EUR/KES	134.53	148.43	134.83	151.33
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

President Donald Trump is set to announce reciprocal tariffs on Wednesday, with his team still finalizing the size and scope of the levies. Proposals under consideration include a tiered tariff system of 10% or 20% based on a country's trade barriers on U.S. goods and a customized reciprocal plan allowing negotiations for lower rates. The tariffs will take immediate effect, even for countries without a trade imbalance with the U.S. and aim to generate \$700 billion annually. Markets are uncertain, leading to weakened growth forecasts, while Asian currencies remained stable and the U.S. dollar strengthened ahead of the announcement. Treasury Secretary Scott Bessent confirmed that maximum tariffs will be imposed, with potential reductions for nations that lower their tariffs on U.S. imports. Reports suggest a 20% universal duty on all U.S. imports, adding to economic uncertainty.

EUR/USD fell 0.1% to 1.0801 ahead of March consumer price data, with eurozone inflation expected to decline to 2.2%. The ECB has reduced rates six times since June but has provided little direction on future moves. GBP/USD also dropped 0.1% to 1.2908, as traders await trade tariff news after UK Prime Minister Starmer and US President Trump held talks on a potential deal. In Asia, USD/JPY rose 0.3% to 149.61, supported by an improvement in Japan's unemployment rate and expectations of a Bank of Japan rate hike. USD/CNY edged up 0.2% to 7.2681 on stronger-than-expected manufacturing data, though it faces pressure from potential US tariffs. AUD/USD rose 0.1% to 0.6248, but gains were trimmed after the RBA kept interest rates steady at 4.1%, citing increased uncertainty over both the Australian and global economies due to US trade tariffs.

Gold prices dipped 0.3% to \$3,116.24 per ounce in Asian trading on Wednesday after hitting an all-time high of \$3,149.03 the previous day. Traders were cautious ahead of U.S. President Trump's April 2 tariff announcement, which created increased volatility. Gold futures for June were largely unchanged at \$3,146.06 per ounce. Trump is set to impose reciprocal tariffs targeting various trading partners to support U.S. manufacturing and address unfair trade practices.

On other commodities, Oil prices steadied on Wednesday after falling the previous day due to concerns that new U.S. tariffs, set to be revealed at 2000 GMT, could escalate a global trade war and reduce crude demand. Brent futures rose slightly to \$74.50 a barrel, while U.S. West Texas Intermediate crude gained 3 cents to \$71.23. Although oil prices reached a five-week high on Monday, markets have remained cautious as they await details on President Trump's tariff plans, with thin trading volumes indicating rising uncertainty ahead of the scheduled announcement. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0594	1.0995
GBP/USD	1.2717	1.3121
USD/ZAR	16.5295	20.5354
USD/AED	3.6527	3.6933
USD/JPY	147.85	151.88