

DOMESTIC NEWS

Kenya's shilling was unchanged on Thursday, helped by low importer demand for the dollar. Commercial banks quoted the shilling at 129.00/50, the same as Wednesday's closing rate. (Refinitiv).

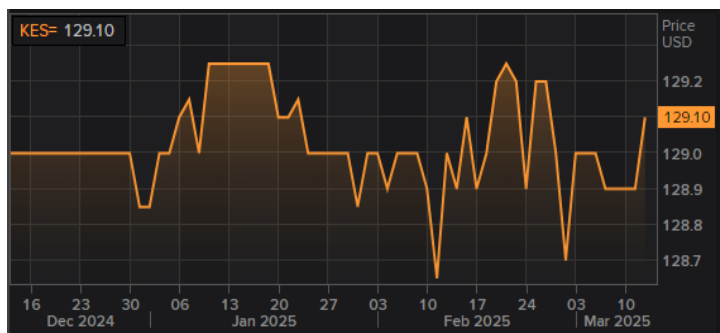
Kenya will face a 10% tariff on goods exported to the U.S. starting April 9th, as part of President Trump's move to address trade imbalances. This follows U.S. concerns over trade barriers and tariffs on U.S. exports, including high duties on items like secondhand clothing. The new tariffs could impact Kenya's exports, and it remains unclear how this will affect the African Growth and Opportunity Act (AGOA) or future trade agreements. U.S. companies have also raised issues with Kenya's inefficient customs procedures. (Reuters).

In other local news, Kenya is enforcing a directive requiring all dealers in precious metals and stones to register with the Financial Reporting Centre (FRC) by April 11, 2025, in a bid to combat money laundering and illicit financial flows. Failure to comply will lead to the cancellation of trade permits. This move follows Kenya's greylisting by the Financial Action Task Force (FATF) in 2024 due to concerns about money laundering and terrorism financing. Dealers, particularly in Taita-Taveta County, are concerned about the registration process, which will be conducted online through the anti-money laundering platform. The registration will apply to various stakeholders in the precious metals and stones sector, including miners, brokers, refiners, manufacturers, and retailers. (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	165.41	178.41	164.61	179.31
EUR/KES	138.58	152.48	138.88	155.38
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

The U.S. dollar fell 1.5% to its lowest level since mid-October after President Trump confirmed new tariffs: a 10% baseline on all imports and up to 54% on key partners like China and the EU. The tariffs, effective April 9, aim to boost tax revenue, but analysts warn they may trigger a recession if not paired with consumer tax cuts. Market sentiment weakened, with falling interest rate expectations and concerns about the dollar's outlook.

The euro rose 1.4% to 1.1012 against the U.S. dollar, supported by Germany's increased spending on infrastructure and defense. Analysts at ING noted that the euro is gaining as a strong alternative to the weakening dollar. Meanwhile, European Commission President Ursula von der Leyen stated that while the EU is prepared to retaliate against U.S. tariffs, it prefers a negotiated solution.

The British pound rose 1.2% to 1.3164 against the U.S. dollar, reaching its highest level since October. The gain was supported by the U.K. receiving a relatively low tariff in President Trump's new trade measures.

USD/JPY dropped 1.5% to 147.01, a three-week low, as the Japanese yen gained on safe-haven demand amid concerns over the impact of President Trump's tariffs.

USD/CNY rose 0.5% to 7.3043 as the Chinese yuan weakened, following President Trump's new tariffs, which have brought total U.S. duties on Chinese imports to 54%. This is close to the 60% tariff threshold Trump previously pledged, which had been seen as a worst-case scenario for China.

Oil prices fell in early Asian trade on Friday, heading for their worst week in months due to concerns over U.S. President Trump's new tariffs, which raised fears of a global trade war and reduced oil demand. Brent crude dropped 0.4% to \$69.83 a barrel, while WTI fell 0.5% to \$66.63. Both benchmarks were on track for their largest weekly losses since mid-October for Brent and January for WTI. (Investing.com).

Gold prices fluctuated due to market reactions to President Trump's new tariffs. Spot gold reached a record high of \$3,167.57 before easing to \$3,106.99, while U.S. gold futures dropped 1.4% to \$3,121.70. The tariffs, particularly the 10% baseline on all imports and higher duties for major trading partners, caused market volatility. Despite this, gold remains a popular safe-haven asset amid economic uncertainty, with analysts at HSBC raising their gold price forecasts for 2025 and 2026. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0869	1.1270
GBP/USD	1.2870	1.3275
USD/ZAR	16.8695	20.8722
USD/AED	3.6529	3.6932
USD/JPY	144.04	148.05