

DOMESTIC NEWS

Kenya's shilling strengthened slightly against the U.S. dollar on Thursday, trading at 129.30/80 compared to Wednesday's close of 129.50/130.00. The gain followed U.S. President Donald Trump's unexpected decision to temporarily suspend most of his recently imposed tariffs, boosting global market sentiment and easing pressure on emerging market currencies like the KES. (Refinitiv).

Kenya's 2024 export value was revised upward by 37% to Sh1.48 trillion from Sh1.08 trillion, following improved data capture by the Kenya National Bureau of Statistics (KNBS), particularly in fuel re-exports, travel, and financial services. The sharp rise in fuel re-exports—driven by increased refueling of UAE airlines at Nairobi's Jomo Kenyatta International Airport—boosted re-export earnings to Sh580 billion, making the UAE Kenya's second-largest export destination after Uganda. Traditional exports like tea (Sh181.1 billion), horticulture (Sh139.5 billion), and manufactured goods (Sh82.8 billion) remained steady. The revision also saw Kenya's current account deficit narrow from 3.7% to 2.8% of GDP.

In other local news, The Kenya Revenue Authority (KRA) has launched a new online system called eRITS, accessible via the Gava Connect platform, to simplify tax filing and payment for landlords. Targeting those earning annual rental income between Sh288,000 and Sh15 million, the system enables monthly tax payments at a 7.5% rate on gross income. The platform aims to boost voluntary compliance and reduce administrative burdens. Landlords, traditionally considered hard-to-tax, contributed Sh14.4 billion in the year ending June 2024, up from Sh13.6 billion the previous year. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.50	134.50	124.50	134.50
GBP/KES	164.55	177.55	163.75	178.45
EUR/KES	141.47	155.37	141.77	158.27
AED/KES	31.26	44.26	33.26	44.76

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	5.00%	1.50%
1 Month	5.50%	2.25%
3 Months	6.00%	2.50%
6 Months	6.25%	2.75%
1 year	6.50%	3.00%



USD movement from January 2025 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar weakened on Thursday, with the Dollar Index Futures falling 1.74% to 100.84, as markets reacted to heightened uncertainty over President Trump's trade policies. The greenback gave back previous gains after Trump hiked tariffs on China to 125%, fueling fears of a prolonged trade war and potential U.S. recession. Though a 90-day delay in implementing the tariffs slightly eased market jitters, investor confidence remained shaky. European Central Bank official Francois Villeroy criticized the inconsistency of U.S. policy, saying it undermines trust in the dollar. Attention now shifts to the upcoming U.S. CPI data for March, expected to show easing inflation, with economists predicting a 2.5% annual rise in headline CPI and 3.0% in core inflation.

The EUR/USD pair traded 2.14% higher, reaching 1.1182. This gain was driven by the U.S. pausing its tariffs on the European Union, easing trade tensions. Analysts expect the pair to consolidate within a 1.09-1.11 range, with 1.0900 acting as potential support if there is strong demand, particularly in light of a firm U.S. CPI reading.

The GBP/USD pair rose 0.9% to 1.2935, mainly due to the weakness of the U.S. dollar. However, concerns over the U.K. gilts market—which underperformed U.S. Treasuries—could pose a risk to the pound. Analysts warn that increased U.K. debt issuance and a slowdown in the economy could put further pressure on sterling.

The USD/JPY pair fell 2.3% to 144.35, with the Japanese yen supported by stronger-than-expected producer inflation data for March. This data raised expectations for further interest rate hikes by the Bank of Japan, despite global trade uncertainties. The USD/CNY pair dropped 0.5% to 7.3145 following a spike to its highest level since late 2007 at 7.3511. The decline occurred amidst the escalating U.S.-China trade war, after President Trump raised U.S. tariffs on China to 125%.

Gold prices surged to a record high in Asian trade on Friday, driven by heightened fears of a prolonged U.S.-China trade war and increased demand for safe-haven assets. Spot gold rose 1% to \$3,220.20 per ounce, while June gold futures climbed 1.7% to \$3,231.69/oz. The surge in gold came amid a sell-off in U.S. Treasury prices and rising yields, with investors seeking safety in bullion and the yen.

Oil prices fell on Friday, with Brent at \$63.02 and WTI at \$59.71, due to concerns over the U.S.-China trade war impacting economic growth and crude demand. Brent is set to drop 4% this week, adding to an 11% loss last week. The ongoing trade dispute is expected to reduce global oil consumption. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1099	1.1501
GBP/USD	1.2810	1.3218
USD/ZAR	17.3723	21.3824
USD/AED	3.6528	3.6934
USD/JPY	141.41	145.44