

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 15TH APRIL 2025

DOMESTIC NEWS

Kenya's shilling was slightly stronger on Monday, with commercial banks quoting the exchange rate at 129.40/90 per dollar, compared to Friday's closing rate of 129.60/131.10. This small improvement reflects a marginal strengthening of the local currency against the US dollar. (Refinitiv).

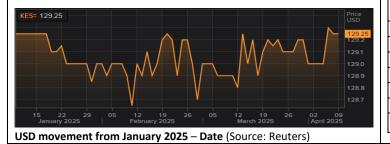
Kenyans are set to enjoy a slight relief at the pump after the Energy and Petroleum Regulatory Authority (EPRA) announced a reduction in fuel prices for the period of April 15 to May 14. The prices of Super Petrol, Diesel, and Kerosene have been cut by Sh1.95, Sh2.20, and Sh2.40 per litre respectively. The new prices are: Super Petrol at Sh174.63, Diesel at Sh164.86, and Kerosene at Sh164.40. EPRA attributed the drop to declining international prices of refined petroleum products and a relatively stable exchange rate. Over the past year, the prices of Super Petrol, Diesel, and Kerosene fell significantly, alongside a drop in Murban Crude Oil prices from USD 89.14 to USD 80.22 per barrel. The stability of the Kenya Shilling against the US Dollar also helped cushion the local market from external price shocks, enabling EPRA to align local pump prices with global trends. (Refinitiv)

In other local news, The Trump administration plans to restart talks for a comprehensive Free Trade Agreement (FTA) with Kenya, aiming to replace the soon-to-expire African Growth and Opportunity Act (Agoa). This follows initial discussions between U.S. and Kenyan trade officials. The FTA would mark the first U.S. trade deal in sub-Saharan Africa and shift focus from the Biden-era STIP framework, which emphasized non-tariff issues. Trump's team is pushing for reciprocal agreements and has imposed tariffs on some Kenyan exports to encourage negotiations. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.65	134.65	124.65	134.65
GBP/KES	167.26	180.26	166.46	181.16
EUR/KES	142.33	156.23	142.63	159.13
AED/KES	31.30	44.30	33.30	44.80

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%



INTERNATIONAL NEWS

The U.S. dollar weakened on Monday due to growing uncertainty surrounding the Trump administration's trade policies, which have shaken investor confidence. The Dollar Index, which tracks the greenback against a basket of six currencies, dropped 0.7% to 99.239, approaching a three-year low. The fall follows the White House's temporary exemption of smartphones, computers, and other electronics from tariffs, though President Trump hinted at future tariffs on semiconductors. Analysts from ING described U.S. tariff policy as "chaotic" and noted that the market is now bracing for potential new tariffs on semiconductors and pharmaceuticals. The uncertainty surrounding U.S. trade policy and the dollar's future as the world's reserve currency is raising concerns among investors, who may question the long-term dominance of the greenback. (investing.com).

The euro (EUR/USD) rose 0.4% to 1.1400, approaching a three-year high as investors moved towards the currency. This comes after the euro broke out of a long-term bearish trend, and attention now turns to the European Central Bank's response to trade tensions and a stronger euro. The British pound (GBP/USD) gained 0.8% to 1.3184, benefiting from the weaker dollar. However, upcoming U.K. economic data, including unemployment and inflation figures, could present downside risks for sterling. The Japanese yen (USD/JPY) fell 0.4% to 142.96, supported by ongoing safe-haven demand and trading near its strongest level in six months. Meanwhile, the Chinese yuan (USD/CNY) edged up 0.1% to 7.3003, remaining close to a 17-year high, influenced by a weaker midpoint fix from the People's Bank of China. (investing.com).

Gold prices edged higher, trading just below a record high set earlier in the week, driven by investor anxiety over the U.S. administration's plans to impose more tariffs. Bullion rose to around \$3,222 an ounce, just shy of the peak reached on Monday. The Trump administration-initiated investigations into semiconductor and pharmaceutical imports, potentially leading to new levies. Gold has surged more than 20% this year as worsening trade tensions and uncertainties fueled demand for the precious metal. (Bloomberg)

Oil prices dropped about \$10 this month amid concerns that the escalating trade war could lead to a global recession, reducing energy demand, particularly in the U.S. and China. This has caused agencies to lower their demand outlooks and analysts to cut price forecasts, with the situation worsened by OPEC+'s unexpected decision to increase output faster than expected. (Bloomberg)

Indicative Cross Rates					
Bid		Offer			
EUR/USD	1.1162	1.1564			
GBP/USD	1.3009	1.3413			
USD/ZAR	16.8618	20.8692			
USD/AED	3.6528	3.6933			

144.91

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USD/JPY