

## DOMESTIC NEWS

The Kenyan shilling showed minimal movement against the U.S. dollar on Thursday, reflecting relative stability in the foreign exchange market. The local currency was trading at 129.40/90 per dollar, slightly firmer than Wednesday's closing rate of 129.45/95. (Refinitiv).

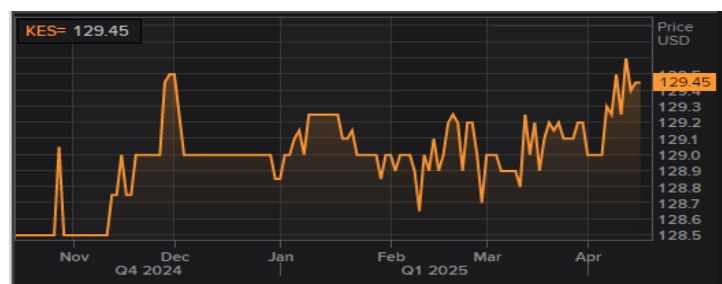
The Central Bank of Kenya (CBK) aims to raise Sh80 billion in its May 2024 bond issuance to finance an upcoming Sh83.6 billion maturity. The sale includes reopened 15- and 25-year bonds from 2022 and a 20-year bond from 2012. The 15- and 25-year bonds will close on April 30, while the 20-year bond will remain open until May 7. The government is using proceeds from recent bond sales to cover maturing debt rather than new borrowing. In addition to the current issuance, the CBK has been managing bond maturities through early buybacks, reducing outstanding amounts from Sh185 billion to Sh135 billion. Investor demand for long-term bonds is increasing, driven by expectations of lower profit rates following a recent CBK base rate cut. (Business Daily).

In other local news, Producer inflation in Kenya fell sharply in Q1 2025, with the Producer Price Index (PPI) dropping to -5.67% in March, down from 7.48% in March 2024. This decline, particularly in mining, quarrying, and power sectors, is expected to slightly ease consumer prices, though businesses may not pass on savings directly to consumers, opting instead to widen profit margins. The Consumer Price Index (CPI) rose by 0.4% in March 2025, marking the fifth consecutive month of inflation, but lower PPI and reduced lending rates following the CBK's interest rate cut could potentially reverse this trend. (Business Daily).

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.70	134.70	124.70	134.70
GBP/KES	169.85	182.85	169.05	183.75
EUR/KES	144.62	158.52	144.92	161.42
AED/KES	31.31	44.31	33.31	44.81

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 edged up on Thursday after Federal Reserve Chair Jerome Powell delivered cautious remarks, signaling steady interest rates despite economic slowdown concerns linked to tariffs. The Dollar Index rose 0.1% to 99.280 but remains down over 3% this month due to trade policy uncertainty under the Trump administration. Powell emphasized the Fed's focus on inflation and the need for clarity before making policy changes. Markets also monitored U.S.-Japan trade talks and awaited key economic data, including jobless claims, housing figures, and the Philadelphia Fed's manufacturing survey.

The euro dropped 0.2% to 1.1377 against the dollar as the European Central Bank is expected to cut rates by 25 basis points to 2.25%, with limited immediate impact on the euro.

The British pound edged up to 1.3244, hovering near a six-month high, but gains were restrained following a weaker-than-expected inflation print on Wednesday. The data has fueled speculation that the Bank of England may cut rates in May. At its March meeting, the BOE held rates steady at 4.5%, with an 8-1 vote in favor of no change.

The dollar strengthened against the yen on Tuesday, with USD/JPY rising 0.6% to 142.79. Japanese exports grew for the sixth consecutive month in March, driven by preemptive shipments ahead of U.S. tariffs. Market sentiment improved after President Trump highlighted "big progress" in trade talks with Japan.

Meanwhile, USD/CNY traded 0.1% lower at 7.2988. A Bloomberg report indicated that China is open to initiating trade talks with the U.S. but demands more respect from the White House in negotiations.

Oil prices gained on Tuesday as investors took advantage of previous losses to cover short positions, though concerns about economic challenges from tariffs and U.S. monetary policy continue to weigh on fuel demand. Brent crude futures rose by 0.5% to \$66.62 a barrel, while the U.S. West Texas Intermediate (WTI) May contract increased by 1% to \$63.73 a barrel. The more actively traded WTI June contract rose 0.7% to \$62.84 a barrel.

Gold surged to new record highs on Tuesday, driven by safe-haven demand amid U.S.-China trade tensions and concerns over President Trump's plans for the Federal Reserve. Spot Gold rose 1.7% to \$3,482.76, while June Futures gained 1.9% to \$3,491.20, continuing a streak of record highs fueled by geopolitical risks and inflation concerns. (investing.com).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1334	1.1736
GBP/USD	1.3214	1.3615
USD/ZAR	16.6804	20.6859
USD/AED	3.6529	3.6932
USD/JPY	137.99	142.01