

**DOMESTIC NEWS**

The Kenyan shilling remained stable against the U.S. dollar on Tuesday, with balanced supply and demand in the forex market. It was quoted at 129.40/90 per dollar, slightly stronger than Thursday's rate of 129.45/95. Markets were closed on Friday and Monday due to public holidays. (Refinitiv).

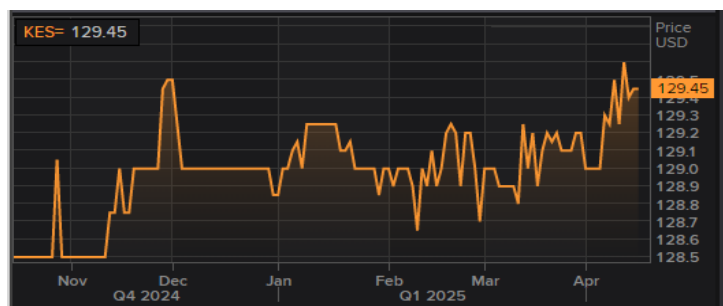
The Kenyan shilling has weakened to its lowest levels in over 13 months against the euro and the British pound, while remaining relatively stable against the U.S. dollar. This depreciation is expected to boost earnings from exports to Europe, especially in sectors like horticulture, as exporters are paid in euros and pounds. The Central Bank of Kenya (CBK) has responded to excess liquidity in the market by increasing repo activities to stabilize the shilling. Despite the shilling's depreciation against the euro and pound, its value against the U.S. dollar has been kept stable through a "crawling peg" strategy, allowing gradual adjustments. The shilling has lost about 13.17% against the euro and 9.80% against the pound since February, but only 0.45% against the dollar. (Business Daily).

In other local news, Kenya's tax collections grew by just 2.89% to Sh1.58 trillion for the nine months to March 2025, marking the slowest growth in over a decade. The Treasury reduced the full-year tax target to Sh2.4 trillion due to economic slowdown and higher borrowing costs. KRA is focusing on improving tax compliance through enhanced data analysis and enforcement rather than new taxes, using tools like bank and vehicle records to identify evaders. (Business Daily).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	124.70	134.70	124.70	134.70
<b>GBP/KES</b>	168.57	181.57	167.77	182.47
<b>EUR/KES</b>	142.69	156.59	142.99	159.49
<b>AED/KES</b>	31.31	44.31	33.31	44.81

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



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

**INTERNATIONAL NEWS**

The U.S. dollar slightly rose on Tuesday but remained near a three-year low, pressured by President Trump's criticism of Federal Reserve Chair Jerome Powell. Trump accused Powell of not cutting interest rates quickly enough and hinted at replacing him, raising concerns about the Fed's independence. The Dollar Index rose 0.2% to 98.190 after recently hitting its lowest level since March 2022. Analysts suggest Trump's comments are undermining confidence in the U.S. economy and the dollar, while also possibly shifting blame for a potential economic slowdown onto the Fed.

The euro edged down 0.1% to 1.1500 after hitting a three-year high against the dollar in the previous session. Despite a recent 25-basis-point rate cut by the European Central Bank to support a weak economy, the euro remains strong. Analysts at ING suggest that further gains in EUR/USD would likely result from weakness in the U.S. dollar rather than euro strength, driven by investors shifting away from dollar assets.

The pound rose to 1.3375 after reaching a recent high, supported by steady interest rates from the Bank of England. However, softer inflation data has increased the chances of a rate cut in May.

The yen strengthened, with USD/JPY falling 0.2% to 140.51, after briefly dropping below the key 140 level. Analysts attribute the yen's gains to market fears over Fed independence and equity market weakness, seeing it as a safe-haven asset unlikely to reverse soon.

The yuan weakened, with USD/CNY rising 0.3% to 7.3138, despite the central bank's efforts to stabilize it by setting a stronger-than-expected daily midpoint. This comes as China warned countries against trade deals with the U.S. that harm Chinese interests, amid escalating tensions and mutual tariffs in the ongoing U.S.-China trade conflict.

Oil prices rose on Wednesday, continuing gains from the previous day, driven by U.S. sanctions on Iran, a decline in U.S. crude stocks, and President Trump's softer rhetoric toward the Federal Reserve. Brent crude rose 0.8% to \$67.99 per barrel, while U.S. West Texas Intermediate crude gained 0.9%, reaching \$64.21 per barrel.

Gold prices dropped in Asian trade as investors shifted to riskier assets following President Trump's softened stance on China tariffs and the Federal Reserve. A stronger dollar also added pressure. Spot gold fell 1% to \$3,347.54, while June futures dropped 1.8%, though prices remained near recent record highs. (investing.com).

**Indicative Cross Rates**

	Bid	Offer
<b>EUR/USD</b>	1.1190	1.1593
<b>GBP/USD</b>	1.3118	1.3523
<b>USD/ZAR</b>	16.5382	20.5444
<b>USD/AED</b>	3.6528	3.6933
<b>USD/JPY</b>	139.54	143.59