

**DOMESTIC NEWS**

The Kenyan shilling strengthened slightly against the U.S. dollar on Wednesday, as commercial banks quoted the currency at KSh 129.30/50 per USD compared to Tuesdays closing levels of KSh 129.45/65. (Refinitiv).

The IMF's April 2025 World Economic Outlook forecasts Kenya's GDP growth at 4.8% in 2025, slightly down from the earlier 5% estimate. Inflation is expected to stay at 4.1%, below the National Treasury's target. The growth downgrade is due to factors like a \$100 million impact from the new 10% U.S. tariff on Kenyan exports, trade spillovers, and global uncertainty. On the global stage, the IMF expects world output to grow by 2.8%, down from 3.3%, with uneven effects from recent U.S. trade measures.

In other local news, Kenyan President William Ruto will attend the signing of seven investment deals with Chinese firms, focusing on key sectors like manufacturing, agriculture, transportation, and hospitality. Notable projects include a \$150 million special economic zone in Kilifi, a \$400 million aloe cultivation project in Baringo, and a \$100 million steel plant expansion in Lukenya. Other investments include a \$50 million smart-traffic project in Mombasa, a \$30 million poultry farm, and \$23 million in Nairobi's hotel industry. These initiatives aim to boost Kenya's economy through job creation, technology, and infrastructure development. (Business Daily).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	127.50	131.50	127.50	131.50
<b>GBP/KES</b>	168.00	175.00	168.00	175.00
<b>EUR/KES</b>	142.00	151.00	142.00	151.00
<b>AED/KES</b>	31.23	44.23	33.23	44.73

	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 February 2025 – Date** (Source: Reuters)

**INTERNATIONAL NEWS**

The U.S. dollar strengthened on Wednesday, continuing its rebound after President Donald Trump eased his criticism of Federal Reserve Chairman Jerome Powell, stating he had no intention of firing him and expressing a desire for more aggressive interest rate cuts. Additionally, optimism surrounding U.S.-China trade negotiations, with potential tariff reductions, boosted market sentiment. The Dollar Index rose 0.3% to 98.960, recovering from a three-year low earlier in the week. Treasury Secretary Scott Bessent also indicated that the current tariff situation is "unsustainable," supporting expectations of de-escalation. Analysts noted the dollar's sensitivity to Fed policy and trade news, suggesting further volatility ahead.

EUR/USD fell 0.3% to 1.1394, retreating from a three-year high due to weak German business activity, with the German composite PMI dropping to 49.7 in April. This has led to expectations of further ECB interest rate cuts, although EUR/USD remains largely driven by U.S. dollar movements.

GBP/USD slipped 0.1% to 1.3314, with market attention on upcoming U.K. PMI data. The Bank of England is more focused on inflation than survey data, and upcoming retail sales figures are expected to show a drop after strong March figures.

USD/JPY weakened, rising 0.2% to 141.75 following a 10th consecutive month of contraction in Japan's manufacturing sector, as shown by a weak PMI of 48.5. However, Japan's services PMI rebounded, showing expansion. USD/CNY fell 0.3% to 7.2963, supported by Trump's optimism about potential U.S.-China trade talks, which boosted sentiment for the yuan.

Oil prices rose slightly on Thursday after a nearly 2% drop the previous day. Brent crude increased by 8 cents to \$66.20 per barrel, while U.S. West Texas Intermediate crude gained 9 cents to \$62.36 per barrel. The rebound followed investor uncertainty over potential OPEC+ output increases and mixed signals on U.S.-China tariffs, as well as ongoing U.S.-Iran nuclear talks.

Gold prices fell sharply on Wednesday, continuing to retreat from record highs, as U.S. President Donald Trump suggested potential lower tariffs on China and softened his criticism of the Federal Reserve. Spot gold dropped 3.2% to \$3,273.69 an ounce, while June futures declined 4% to \$3,283.40. This followed a peak of \$3,500.33 per ounce on Tuesday, with investors shifting away from safe-haven assets and into equities, further pressured by a mild rebound in the dollar. (investing.com).

**Indicative Cross Rates**

	Bid	Offer
<b>EUR/USD</b>	1.1137	1.1538
<b>GBP/USD</b>	1.3066	1.3467
<b>USD/ZAR</b>	16.6629	20.6712
<b>USD/AED</b>	3.6528	3.6933
<b>USD/JPY</b>	140.79	144.82