

## DOMESTIC NEWS

Kenya's shilling remained stable against the dollar on Friday, holding at 129.10/50 per dollar, unchanged from Thursday's close. (Refinitiv).

Kenya must convince the IMF that it can meet strict revenue and spending discipline targets to unlock new funding. The IMF wants to see Kenya's final 2025–26 budget estimates and revenue measures before approving a new credit facility. This follows the collapse of the previous IMF programme after Kenya missed revenue and fiscal consolidation targets, prompting negotiations for a new Extended Fund Facility (EFF) and Extended Credit Facility (ECF). Fiscal challenges persist, worsened by failed tax reforms and budget shortfalls after the government reduced tax collection targets by Sh516 billion. Despite improvements in the economy and current account, Kenya's missed reforms, including those related to State-owned enterprises and fuel levy use, remain a concern. The IMF has expressed willingness to continue supporting Kenya if fiscal discipline is restored. (Business Daily).

In other local news, Kenya expects to receive the full Sh97.08 billion (\$750 million) World Bank DPO loan by June 2025 after resolving key conditions, including revisions to the Conflict-of-Interest Bill 2025. Treasury CS John Mbadi and CBK Governor Kamau Thugge confirmed progress during IMF/World Bank meetings. The funding, crucial amid tight external financing, depends on Kenya finalizing prior actions and maintaining alignment with IMF-backed reforms.

(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>	168.50	175.00	168.50	175.00
<b>EUR/KES</b>	142.50	151.00	142.00	151.00
<b>AED/KES</b>	34.00	37.00	34.00	37.00

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

Investors are awaiting key U.S. data this week, including jobs figures for April, first-quarter GDP, and the PCE price index, which will help determine the Federal Reserve's rate outlook amid global trade uncertainty. The U.S. Dollar Index remained largely unchanged on Monday but rose about 0.2% in Asian trade, still near a three-year low. U.S. companies are facing financial strain, possibly leading to job cuts and higher debt, reminiscent of the early days of the Covid-19 pandemic. While a resolution could come quickly if former President Trump removes tariffs, the ongoing uncertainty could have more severe long-term effects than during Covid.

EUR/USD fell 0.3% to \$1.1355, on track for a weekly loss of 0.3%, but still up over 5.5% this month and nearly 10% year-to-date. GBP/USD dropped 0.3% to 1.33, with analysts predicting a rise to 1.39 by March 2026 due to broader dollar weakness and tariff decisions.

USD/CNY rose 0.1%, with further yuan weakness limited by a stronger midpoint fix from the People's Bank of China. Focus is on upcoming Chinese PMI data. USD/JPY fell 0.1%, as the Japanese yen firmed slightly ahead of the Bank of Japan's meeting, with no changes expected in rates. AUD/USD fell 0.1%, as traders awaited key quarterly inflation data later this week. USD/INR steady around 85.35 after a sharp decline from record highs over the past two months.

Gold prices extended their decline in Asian trading on Monday, moving away from record highs as signs of easing U.S.-China trade tensions reduced demand for the safe-haven asset. Spot Gold fell 0.8% to \$3,292.75 per ounce, while Gold Futures for June edged up 0.2% to \$3,303.77 per ounce. Reports indicated that China had exempted certain U.S. imports from its retaliatory 125% tariffs, and U.S. President Trump mentioned ongoing trade talks with China. However, U.S. Treasury Secretary Scott Bessent contradicted these claims, stating he was unaware of any negotiations, and China denied the talks altogether, leading to investor caution.

Oil prices inched up in early Monday trade, with Brent crude rising 22 cents to \$67.09 and WTI gaining 24 cents to \$63.26. However, uncertainty over U.S.-China trade talks and concerns about oversupply from OPEC+ and the U.S. kept the outlook clouded. OPEC+ is expected to consider increasing oil output at its May 5 meeting, adding to market worries. Last week, both Brent and WTI fell over 1% due to fears of oversupply and the potential economic impact of tariffs.

(investing.com).

### Indicative Cross Rates

	Bid	Offer
<b>EUR/USD</b>	1.1161	1.1559
<b>GBP/USD</b>	1.3105	1.3510
<b>USD/ZAR</b>	16.6931	20.6987
<b>USD/AED</b>	3.6528	3.6934
<b>USD/JPY</b>	141.75	145.77