

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 19TH MAY 2025

DOMESTIC NEWS

Kenya's shilling was stable against the dollar on Friday. The shilling traded at 129.00/129.40 per dollar, unchanged from Thursday's close. (Refinitiv).

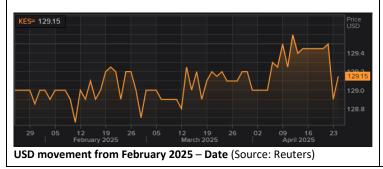
Kenyan tech startups are losing ground as fast-growing companies in other sectors like manufacturing and hospitality take over. Despite billions in venture funding, many tech startups struggle or collapse, with only two tech firms in the top 100 fastest-growing African companies in 2025, down from previous years. Fintech growth is slowing as companies near market saturation with about eight million borrowers served. Lipa Later, once a top fintech, faced financial trouble despite heavy funding. Venture capital funding to Kenyan startups dropped sharply in 2024, causing Kenya to fall to fourth place in Africa behind Nigeria and Egypt. Challenges include weak business models and lack of unique, practical tech solutions. Government programs like the Hustler Fund have a wider reach than fintechs and may help funnel good borrowers to private lenders. Despite setbacks, fintechs continue to support key sectors like motorcycle taxi financing and smartphone purchases. (Business Daily)

In other local news, Kenya's mobile money agents saw a 12.1% drop in cash value handled in Q1 2025 to Sh2.04 trillion, even as transaction numbers rose 38.1% to 873.9 million. This reflects a shift toward many low-value transactions amid economic challenges, with some high-value transfers moving to banks. Mobile money subscriptions grew to 85 million, and active agents increased to over 410,000. The decline contrasts with overall growth seen in 2024 and follows changes like Airtel Money removing cash withdrawal limits. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	127.50	131.50	127.50	131.50
GBP/KES	168.00	175.00	168.00	175.00
EUR/KES	142.00	147.50	142.00	147.50
AED/KES	34.00	37.00	34.00	37.00

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 fell on Friday as soft inflation and economic data reinforced expectations of multiple Fed rate cuts this year. The Dollar Index dipped 0.2% to 100.545 but remained slightly up for the week after early gains driven by a U.S.-China trade truce. However, weak retail sales and falling producer prices have raised concerns about a slowing economy. Analysts warn of limited upside for the dollar, with downside risks increasing and the key 100.0 support level possibly being retested soon.

The euro rose 0.2% to 1.1211 against the U.S. dollar, supported by dollar weakness. Analysts at ING see 1.120 as a short-term anchor, with potential to test 1.130. However, longer-term prospects for the euro remain weak, as Barclays expects a eurozone recession in the second half of 2025 due to ongoing uncertainty and stalled EU-U.S. trade talks.

The British pound rose 0.1% to 1.3314, supported by stronger-thanexpected Q1 2025 GDP data. Upcoming U.K.-EU summit discussions on post-Brexit alignment are also expected to boost sentiment and support the pound further, according to ING.

The Japanese yen strengthened, with USD/JPY falling 0.3% to 145.29, after Japan's economy shrank by 0.7% in Q1 2025—worse than the expected 0.2% decline. The contraction, Japan's first in a year, was driven by falling exports and stagnant consumer spending amid U.S. tariffs and global trade uncertainties.

USD/CNY traded 0.1% lower to 7.2029, in muted trading.

Gold prices fell on Friday and were set for significant weekly losses as easing U.S.-China trade tensions reduced demand for safe-haven assets. Spot gold dropped 0.8%, while June futures fell 1.5%. Profit-taking, a stronger U.S. dollar, and rising Treasury yields also contributed to the decline.

Oil prices declined on Monday due to Moody's downgrade of the U.S. sovereign credit rating and weaker-than-expected economic data from China. Brent crude fell by 0.5% to \$65.06 a barrel, while U.S. WTI crude dropped by 0.4% to \$62.23. The downgrade reflects concerns over the U.S.'s \$36 trillion debt and raises doubts about economic stability. In China, industrial output and retail sales slowed, highlighting recovery challenges despite a recent easing of trade tensions with the U.S. Uncertainty around U.S.-Iran nuclear talks and continued geopolitical tensions—including between Estonia and Russia—provided some support to oil prices. Additionally, U.S. oil producers cut the number of active rigs, signaling reduced production growth. (Investing.com).

Indicative Cross Rates					
	Bid	Offer			
EUR/USD	1.1010	1.1411			
GBP/USD	1.3118	1.3526			
USD/ZAR	16.0649	20.0709			
USD/AED	3.6526	3.6934			
USD/JPY	143.04	147.08			

For more details, contact our Treasury staff Mary, John, Alice & Joseph on Tel +254 20 5131311, DL +254 20 513 1354/55/51/52, Cell +254 709913351/52/54/55. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. The rates quoted includes the Banks mark up. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.