

## DOMESTIC NEWS

The Kenyan shilling remained stable against the U.S. dollar on Thursday, trading at 129.00/50 compared to 128.95/129.45 on Wednesday. The stability was attributed to balanced foreign exchange supply and demand. (Refinitiv).

Kenya's Treasury has removed new IMF funding from budgets through 2029 amid uncertainty over talks and strict loan conditions, following the termination of a previous IMF facility that cost Sh110 billion. Treasury CS John Mbadi stressed this cautious approach avoids overestimating financing, while Kenya continues IMF engagement. With only Sh64.8 billion left under its IMF quota, Kenya plans to increase reliance on World Bank loans, expecting Sh170.5 billion annually through 2028/29. The budget also avoids new taxes after last year's deadly protests halted proposed revenue hikes. (Business Daily)

In other local news, The World Food Programme (WFP) will halt all cash assistance in Kenya from June due to a Sh5.7 billion funding shortfall, affecting 720,000 refugees. The agency cites a sharp decline in donor support amid rising refugee numbers, forcing it to cut food rations to just 28% of the usual amount. With malnutrition rates among refugee children and mothers exceeding emergency levels, WFP warns of worsening hunger and urges urgent funding to sustain its operations. (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>	170.00	176.50	170.00	176.00
<b>EUR/KES</b>	143.00	149.00	143.00	149.00
<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

The U.S. dollar edged up slightly on Thursday, with the Dollar Index rising 0.1% to 99.500 after three days of losses. However, fiscal concerns kept the currency under pressure as President Trump's tax and spending bill neared House passage. The bill, projected by the Congressional Budget Office to add \$3.8 trillion to the national debt over a decade, has raised investor fears. Moody's recently downgraded the U.S. credit rating, and a weak 20-year bond auction added to market unease, leading to a broader selloff in U.S. equities, bonds, and the dollar.

EUR/USD fell 0.1% to 1.1319 as eurozone business activity contracted unexpectedly, with the PMI dropping to 49.5. Analysts say a rise to 1.150 is unlikely without clear economic divergence between the US and Europe. GBP/USD rose 0.1% to 1.3426 following an improved UK PMI and higher-than-expected inflation, but market expectations for rate hikes remain cautious.

USD/JPY declined 0.5% to 143.04, the lowest since early May, after Japan's Finance Minister avoided discussing currency levels with the US at the G7 meetings. USD/CNY increased slightly by 0.1% to 7.2043 amid muted trading activity.

Oil prices fell for a fourth straight session on Friday, with Brent down 0.5% to \$64.13 per barrel and U.S. WTI down 0.5% to \$60.87. Both are on track for their first weekly decline in three weeks—Brent down 1.9% and WTI 2.5%. The drop comes amid renewed concerns over a possible OPEC+ production increase of 411,000 barrels per day in July, fueling supply pressure and weighing on the market. No final decision has been made yet, but uncertainty is causing renewed downward pressure on prices.

Gold prices rose in Asian trade on Thursday, with spot gold up 0.7% to \$3,338.04 an ounce and June futures up 0.8% to \$3,339.20. The gains were driven by safe-haven demand amid ongoing concerns over high U.S. debt levels and the passage of a tax cut bill. Geopolitical tensions also supported prices, with reports of a potential Israeli attack on Iran, although renewed nuclear talks between Tehran and Washington eased some fears. Moody's recent downgrade of the U.S. credit rating further underpinned gold's appeal.

(Investing.com).

### Indicative Cross Rates

	Bid	Offer
<b>EUR/USD</b>	1.1122	1.1525
<b>GBP/USD</b>	1.3256	1.3659
<b>USD/ZAR</b>	15.9117	19.9192
<b>USD/AED</b>	3.6527	3.6932
<b>USD/JPY</b>	141.40	145.43