

## DOMESTIC NEWS

The Kenyan shilling strengthened slightly on Monday, trading at 128.90/129.40 per dollar, up from 129.00/129.50 on Friday, as remittance inflows offset importer demand. (Refinitiv).

Kenya's economic growth is projected to slow to 4.5% in 2025, down from 4.7% in 2024, marking its weakest pace since the pandemic, according to the World Bank. The deceleration is attributed to high public debt, missed fiscal targets, delayed reforms, and rising borrowing costs exacerbated by global financial instability. Despite these challenges, the economy is expected to benefit from a resilient agricultural sector, steady services, and improving private sector credit. The World Bank warns that without stronger revenue generation, more efficient spending, and improved governance, investor confidence may wane, further elevating financing risks. (Bloomberg)

In other local news, The Kenya Association of Air Operators has opposed proposals in the Finance Bill 2025 to reintroduce taxes and levies on aircraft, parts, and maintenance, warning they would increase costs and disrupt the aviation sector. They argue the changes risk reversing progress in air connectivity and fleet modernization and undermine investor confidence due to policy uncertainty. (Bloomberg)

## 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>	171.00	178.00	171.00	178.00
<b>EUR/KES</b>	143.00	150.00	143.00	150.00
<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

Asian currencies gained slightly on Monday as the US dollar weakened following President Trump's decision to delay imposing 50% tariffs on European Union imports from June 1 to July 9. This move came after trade talks with the EU, easing some market fears. The US Dollar Index dropped 0.3% to its lowest level in over a month amid ongoing uncertainty around US trade policies. The dollar was also pressured by concerns over a new US tax-cut bill passed by the House, which is projected to add \$3.8 trillion to the national debt and now awaits Senate approval.

EUR/USD rose to around 1.1395 on Tuesday, reaching its highest level since late April after President Trump delayed 50% tariffs on Europe. GBP/USD extended its winning streak for a third day, trading near 1.3570 and close to a 39-month high, supported by a weakening US dollar amid growing debt concerns.

Meanwhile, USD/JPY fell 0.1% on Friday as the Japanese yen gained marginally ahead of planned trade talks in Washington. Most Asian currencies continued to strengthen against the soft dollar despite lingering trade uncertainties: the Chinese yuan touched its strongest level since November 2024, AUD/USD rose 0.3%, while USD/MYR, USD/KRW, USD/SGD, and USD/INR all declined modestly between 0.1% and 0.5%.

Gold prices fell in Asian trade on Tuesday, extending recent declines after President Trump postponed steep 50% tariffs on Europe, which boosted risk appetite. Spot gold dropped 0.5% to \$3,326.53 an ounce, while August gold futures fell 1.2% to \$3,353.09 an ounce. The yellow metal was also pressured by easing government bond yields following a recent sharp rise. Despite this, gold's losses were limited by continued dollar weakness. Trump's tariff delay, now set for early July alongside other planned tariffs, helped improve market sentiment, reducing gold's appeal as a safe haven.

Oil prices dipped for a second day as markets expected OPEC+ to approve a production increase of about 411,000 barrels per day at their upcoming meeting on May 28. Brent crude fell to \$64.50 a barrel, and WTI dropped to \$61.24, reflecting concerns over rising supply.

(Investing.com).

## Indicative Cross Rates

	Bid	Offer
<b>EUR/USD</b>	1.1188	1.1590
<b>GBP/USD</b>	1.3365	1.3768
<b>USD/ZAR</b>	15.8497	19.8550
<b>USD/AED</b>	3.6527	3.6933
<b>USD/JPY</b>	141.07	145.09