

## DOMESTIC NEWS

The Kenyan shilling remained stable against the U.S. dollar on Thursday, holding at 129.00/129.40 per dollar, with no change from the previous day's rate. (Refinitiv).

Kenya's labor market is weakening, with slow growth in salary taxes and a decline in formal job creation. Many firms are cutting wages and hiring more temporary workers instead of permanent staff. New job openings have dropped to their lowest since the pandemic, with most new jobs in the informal sector. Business confidence is very low, and private sector output has contracted due to weak demand. Increased payroll deductions have reduced workers' take-home pay, hurting living standards and raising concerns about rising poverty and social unrest among employees. (Business Daily)

On other local news, Kenya's 364-day Treasury bill yield dropped below 10 percent for the first time since 2022, following a fall in the Central Bank Rate to 10 percent. Shorter-term bill yields also declined. Strong investor demand, especially for the 364-day bill, allowed the Central Bank to reject higher bids, pushing yields down. This decline will help reduce the government's borrowing costs. (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>	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 March 2025 – Date** (Source: Reuters)

## INTERNATIONAL NEWS

The U.S. dollar rose slightly on Friday, with the Dollar Index up 0.2% to 98.892, but it remained on track for a 0.5% weekly loss due to signs of economic weakness and uncertainty over U.S. trade policy. Recent data showed a rise in unemployment claims to a seven-month high and weaker-than-expected job growth in the private sector. Markets are now focused on the upcoming official jobs report, expected to show 130,000 new jobs and a steady 4.2% unemployment rate. Analysts suggest a significantly weaker report could further pressure the dollar.

In Europe, the euro (EUR/USD) dipped 0.2% to 1.1425 on Friday, retreating from an 18-month high reached after the European Central Bank (ECB) cut interest rates by 25 basis points on Thursday. Although the cut was expected, ECB President Christine Lagarde's comments suggested the rate-cutting cycle may be nearing its end, prompting a hawkish market reaction. As a result, expectations for another ECB cut have been pushed to October from September.

The British pound (GBP/USD) edged down 0.2% to 1.3545 on Friday, after reaching a three-year high in the previous session. Despite the dip, the pound remained on track for a 0.6% weekly gain, reflecting continued overall strength.

The Japanese yen (USD/JPY) fell 0.4% to 143.96 on Friday, as growing concerns about Japan's economic outlook weighed on the currency. Weak household spending and soft wage income data raised doubts about the Bank of Japan's ability to continue raising interest rates, as sluggish consumer demand could undermine both growth and inflation targets, potentially delaying further policy tightening.

The USD/CNY rose 0.1% to 7.1849, as markets remained cautious despite a positive Trump–Xi call. Traders are still waiting for firm progress on a lasting U.S.–China trade deal, following only temporary tariff relief in May.

Gold prices were flat in Asia on Monday, with spot gold at \$3,310.61/oz and August futures down 0.5% to \$3,330.65/oz. Improved risk appetite ahead of U.S.–China trade talks limited gains, though economic uncertainty and a weak dollar kept bullion near multi-month highs, just \$200 below record levels.

Oil prices eased slightly on Monday, with Brent at \$66.41 and U.S. West Texas Intermediate at \$64.54, but held onto last week's gains. Hopes that U.S.–China trade talks in London could boost global economic prospects and oil demand helped support prices, following a rare Trump–Xi call and upcoming high-level meetings between the two sides. (Investing.com).

## Indicative Cross Rates

	Bid	Offer
<b>EUR/USD</b>	1.1220	1.1623
<b>GBP/USD</b>	1.3359	1.3764
<b>USD/ZAR</b>	15.7445	19.7500
<b>USD/AED</b>	3.6521	3.6931
<b>USD/JPY</b>	142.26	146.30