

DOMESTIC NEWS

The Kenyan shilling was flat on Wednesday, trading at 129.00/129.50 against the U.S. dollar—unchanged from Tuesday's closing levels. The currency remained stable amid balanced demand and supply in the local forex market. (Refinitiv).

From July 1, 2025, all government contracts will be automatically published on the Public Procurement Information Portal (PIIP) via the e-procurement system (E-GPS), enhancing transparency and accountability. Agencies must onboard by June 30 or risk losing procurement powers, with payments limited to contracts processed through the new system.

Lawmakers have supported amendments to the Finance Bill 2025, particularly rejecting a controversial proposal that would have allowed the Kenya Revenue Authority (KRA) unrestricted access to personal and commercial data without notifying taxpayers. The National Assembly Finance Committee deemed the clause unconstitutional and in conflict with existing data protection laws. Unlike previous bills focused on tax hikes, this year's Bill emphasizes administrative reforms to enhance compliance and broaden the tax base, with a modest revenue target of Sh25 billion. Lawmakers also called for a more predictable and sustainable tax regime.

(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	169.00	176.50	169.00	176.50
EUR/KES	144.00	152.00	144.00	152.00
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%



USD movement from April 2025 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar weakened on Wednesday, slipping 0.2% as traders assessed geopolitical tensions from the Israel-Iran conflict, signs of a slowing U.S. economy, and the anticipated outcome of the Federal Reserve's policy meeting. Despite a brief spike on Tuesday fueled by rising oil prices and speculation of U.S. involvement in the Middle East, the dollar lost momentum as markets expected the Fed to hold rates steady, shifting focus to Chair Jerome Powell's comments and the central bank's rate outlook.

EUR/USD rose 0.3% to 1.1515, rebounding after a 1% drop in the previous session. Final May eurozone inflation data is expected to confirm a 1.9% annual rise. Despite being technically overbought, euro demand persists amid ongoing bearish sentiment on the U.S. dollar. GBP/USD gained 0.2% to 1.3463 despite U.K. inflation easing to 3.4% in May, down from 3.5% in April. Services inflation also fell to 4.7%. While the Bank of England is likely to hold rates steady, the softer data may prompt a more cautious tone.

USD/JPY slipped 0.1% to 144.58 after Japanese Prime Minister Shigeru Ishiba said no trade deal had been reached with the U.S. at the G7 summit. His comments highlighted continued tensions and noted the impact of U.S. tariffs on Japan's auto industry. Meanwhile, Japan's May trade deficit was narrower than expected, despite a decline in exports. USD/CNY traded flat at 7.1852, ahead of an upcoming People's Bank of China meeting. The central bank is expected to keep its loan prime rate unchanged following a prior rate cut earlier this year.

Oil prices dipped on Thursday as traders remained cautious following mixed signals from U.S. President Donald Trump regarding possible U.S. involvement in the Israel-Iran conflict. Brent crude fell 20 cents (0.26%) to \$76.50 a barrel, while U.S. WTI for July slipped 4 cents (0.05%) to \$75.10. The more active August WTI contract declined 8 cents to \$73.42. Despite recent volatility, analysts note that prices still carry a risk premium, with Goldman Sachs estimating a \$10-a-barrel geopolitical buffer due to reduced Iranian supply and potential for wider regional disruption.

Gold prices held steady in Asian trade on Wednesday as investors awaited the Federal Reserve's interest rate decision and monitored rising geopolitical tensions. Spot gold remained unchanged at \$3,388.25 per ounce, while August gold futures were flat at \$3,405.95. Although gold had pulled back earlier in the week on reports of an Iran ceasefire, renewed conflict and warnings from U.S. President Donald Trump revived safe-haven demand, keeping prices supported.

(Investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1256	1.1658
GBP/USD	1.3189	1.3592
USD/ZAR	16.0634	20.0746
USD/AED	3.6521	3.6927
USD/JPY	143.18	147.22