

DOMESTIC NEWS

Kenya's shilling remained stable against the U.S. dollar on Thursday, with commercial banks quoting it at 129.00/129.50 per dollar, unchanged from Wednesday's close. The currency showed resilience amid balanced market demand and supply conditions. (Refinitiv).

The Nairobi Securities Exchange added Sh21 billion in investor wealth despite nationwide protests disrupting business in over 27 counties. The gains were driven by renewed foreign investor interest and a surge in trading activity, with turnover doubling to Sh465 million. Market capitalization rose to Sh2.361 trillion, reflecting investor confidence in key stocks. However, analysts caution that continued political unrest could dampen this momentum, as recurring demonstrations pose economic risks estimated at Sh3 billion in daily private sector losses.

On other local news Kenya has overtaken Uganda in energy sector regulation for the first time, ranking second in Africa behind Senegal in the African Development Bank's 2024 Electricity Regulatory Index. This achievement is attributed to major reforms at the Energy and Petroleum Regulatory Authority (Epra), including increased independence, enhanced transparency, digitised services, a streamlined licensing process, and the introduction of investor-friendly policies like time-of-use tariffs and net metering. These changes have improved consumer protection, attracted new investments, and raised national energy access to 75%, positioning Kenya as a leading example of regulatory innovation in Africa's power sector. (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	173.00	179.50	173.00	179.50
EUR/KES	145.00	153.00	145.00	153.00
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 fell to its lowest level since early 2022 on Thursday, sliding 0.6% amid renewed political pressure on Federal Reserve Chair Jerome Powell by former President Donald Trump. Trump's public criticism and reported plans to replace Powell before his term ends in 2026 have raised concerns about the central bank's independence, unsettling markets. Powell's cautious remarks on interest rates during congressional testimony—indicating no cuts until the inflationary effects of tariffs are clearer—triggered Trump's backlash. In response, markets increased the probability of a July rate cut to 25%, reflecting growing expectations of a dovish shift in monetary policy.

EUR/USD rose 0.4% to 1.1706, its highest since September 2021, mainly driven by dollar weakness, with minor support from NATO's defense spending deal and Trump's softer tone toward allies. GBP/USD gained 0.6% to 1.3748, as doubts over the U.S. dollar's reserve currency status grew.

USD/JPY fell 0.9% to 143.97, with the yen strengthening ahead of key Tokyo inflation data expected to influence a Bank of Japan rate hike. USD/CNY edged down 0.1% to 7.1683, with the yuan hitting a seven-month high on expectations of fresh stimulus measures from Beijing to boost domestic consumption.

Oil prices are on track for their steepest weekly drop since March 2023, with both Brent and WTI futures down about 12% despite a modest rebound on Friday. Brent rose 0.52% to \$68.08 a barrel, while WTI gained 0.61% to \$65.64. The sharp decline follows fading fears of supply disruptions from the Iran-Israel conflict, as a ceasefire announced by U.S. President Donald Trump eased market tensions. Prices, which had surged to a five-month high earlier in the week after U.S. strikes on Iranian targets, have now returned to pre-conflict levels, with analysts noting no significant impact on global oil flows.

Gold prices fell to a near four-week low on Friday, with spot gold down 1% to \$3,293.79 an ounce and August futures slipping 1.2% to \$3,306.70, as easing geopolitical tensions—particularly the stable Israel-Iran ceasefire—weighed on safe-haven demand. The metal is poised for a weekly loss of over 2%, its second straight decline, and has now dropped nearly 6% from its record high in late April, as investors shift focus to the upcoming release of the Fed's preferred inflation gauge for hints on interest rate policy. (Investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1488	1.1880
GBP/USD	1.3498	1.3903
USD/ZAR	15.8447	19.8509
USD/AED	3.6522	3.6929
USD/JPY	142.37	146.38