

DOMESTIC NEWS

Kenya's shilling remained stable against the U.S. dollar on Thursday, with commercial banks quoting it at 129.00/129.40 per dollar, unchanged from Wednesday's close. (Refinitiv).

Kenya will spend \$531.48 million (Sh68.7 billion) on external debt repayments in July 2025, slightly lower than the \$546.75 million (Sh71.03 billion) paid in July 2024, mainly due to falling global interest rates on floating loans and a stable exchange rate. The bulk of the payment \$431.9 million (Sh55.8 billion), or 81.3% is to China for loans funding the Standard Gauge Railway, with interest costs dropping by \$13.4 million year-on-year. Other payments include \$31.5 million on a Eurobond, \$20.88 million to the Trade & Development Bank, and \$19.53 million to France. The repayments will draw from Kenya's record-high forex reserves of \$11.09 billion.

Meanwhile, Kenyan companies used Sh49.67 billion in tax refunds to settle various tax obligations in the year ended June 2025, nearly doubling from Sh24.85 billion the previous year, as firms faced increased cash flow pressures. Most of the refunds were applied to corporate tax, PAYE, and VAT. The rise reflects both financial strain and improved KRA processes that made it easier to use adjustment vouchers. Overall, KRA collected Sh2.57 trillion, slightly surpassing its target, with corporate tax growing 9.9%, while payroll and VAT growth remained modest due to economic strain and policy shifts. (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	171.00	180.00	171.00	180.00
EUR/KES	147.00	155.50	147.00	155.50
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 slipped slightly on Thursday, easing 0.1% to 97.107 on the Dollar Index after hitting a two-week high the previous day. Traders appeared largely unfazed by President Trump's latest tariff threats, which included letters to seven additional countries, bringing the total to 21. Markets are watching to see if these trade tensions escalate meaningfully ahead of the August 1 deadline. Meanwhile, the dollar remains driven by economic data, with focus shifting to jobless claims and next week's CPI report, as the Fed maintains a cautious but hawkish stance.

EUR/USD rose 0.1% to 1.1731 as volatility around the euro eased on optimism that a trade deal between the U.S. and EU is imminent. EU trade chief Maros Sefcovic indicated that significant progress had been made and a deal could be reached within days, with reports pointing to asymmetrical tariffs, likely a 10% base rate suggesting a path of de-escalation. As a result, analysts expect EUR/USD to remain in the 1.170–1.175 range barring any surprises. GBP/USD gained 0.2% to 1.3608, buoyed by the U.K.'s prior trade agreement with the Trump administration.

Meanwhile, USD/JPY slipped slightly to 146.29, and USD/CNY edged 0.1% lower to 7.1775, as most Asian currencies remained steady while investors processed renewed U.S. tariff threats. The Brazilian real, however, weakened significantly on the back of those same tariff concerns, reflecting heightened market caution.

Oil prices rose on Friday amid concerns over potential new U.S. sanctions on Russia, following President Trump's announcement of an upcoming statement on the matter. Brent crude increased to \$68.83 and WTI to \$66.81, partially recovering from earlier losses driven by tariff worries and global growth concerns. Support also came from tightening market fundamentals, rising seasonal demand, Houthi attacks in the Red Sea, and a planned surge in Saudi oil exports to China, signaling improving demand.

Gold prices inched up on Thursday, supported by a weaker U.S. dollar and expectations of Fed rate cuts, but remained within a tight trading range due to easing safe haven demand and uncertainty over tariff impacts. Spot gold rose 0.2% to \$3,320.54, while futures gained 0.3%. Meanwhile, platinum and silver outperformed, rising 2.3% and 0.9% respectively, nearing multi-year highs. (Investing.com)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1476	1.1878
GBP/USD	1.3357	1.3761
USD/ZAR	15.7590	19.7632
USD/AED	3.6528	3.6932
USD/JPY	144.88	148.91