

DOMESTIC NEWS

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

The government has again withheld fuel subsidies, causing pump prices to rise sharply, with petrol hitting Sh186.31 per litre in Nairobi. Treasury CS John Mbadi said the Energy regulator deemed the increase manageable, though he did not confirm if the Petroleum Development Levy (PDL) fund is depleted. Past diversions of PDL funds and strained finances have raised concerns, with the IMF pushing for an audit of the subsidy scheme due to fiscal risks from unplanned spending. (Business Daily)

Meanwhile, a new report highlights that increased personal savings through banks and mobile platforms is boosting Africa's financial systems by enabling more investment and economic growth. The continent's young, tech-savvy population is rapidly adopting mobile banking, fueling growth in the fintech sector led by companies like Safaricom, MTN, and Airtel. About 60% of adults in sub-Saharan Africa now save through formal or informal means, up from just over 50% in 2021. The region also leads in mobile money usage, with Kenya standing out—32% of adults borrow from mobile money providers, making up 86% of formal borrowers in the country. (Bloomberg).

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	178.00	169.00	178.00
EUR/KES	146.00	153.50	146.00	153.50
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 stabilized in Asian trading on Thursday, with the U.S. Dollar Index rising 0.2%, after falling 0.3% the previous day amid market volatility. The decline was triggered by concerns over the Federal Reserve's independence following President Trump's renewed criticism of Fed Chair Jerome Powell and refusal to rule out his removal. These developments led to a brief dip in the dollar and equities, while long-dated U.S. Treasury yields climbed. Analysts consider Powell's removal unlikely but noted significant market sensitivity to the speculation.

EUR/USD strengthened slightly to 1.1621, rebounding from a three-week low after ECB policymaker Joachim Nagel called for a "steady hand" amid uncertainty caused by U.S. tariff threats. GBP/USD rose to 1.3392, up 0.1%, after UK inflation unexpectedly jumped to 3.6% in June, its highest level in over a year, though expectations of future rate cuts limited sterling's gains.

USD/JPY edged down to 148.82, slipping 0.1% after a nearly 1% overnight jump following the release of U.S. inflation data, as market caution returned. AUD/USD climbed to 0.6521, gaining 0.1% as the Australian dollar rebounded modestly from earlier losses linked to rising unemployment and rate cut speculation. USD/CNY ticked up to 7.1770, rising 0.1% as the dollar remained firm despite some recovery in Asian currencies.

Oil prices rose on Thursday, reversing earlier losses due to stronger economic data from major consumers and easing trade tensions. Brent crude rose to \$68.76 and WTI to \$66.71. Market sentiment improved after President Trump signaled softer tariff policies and progress on trade deals with several countries. A sharper-than-expected 3.9 million barrel drop in U.S. crude inventories also supported prices, indicating tighter supply and stronger demand.

Gold prices fell on Thursday as improved risk appetite and a stronger U.S. dollar weighed on the market, following President Trump's reassurance that he would not fire Fed Chair Jerome Powell. Spot gold dropped 0.2% to \$3,342.09, while futures fell 0.3% to \$3,348.40. However, haven demand remained supported amid ongoing uncertainty over U.S. tariffs, with platinum and silver continuing to outperform gold. (Investing.com)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1413	1.1815
GBP/USD	1.3199	1.3601
USD/ZAR	15.8597	19.8602
USD/AED	3.6530	3.6931
USD/JPY	146.56	150.58