

TREASURY MARKET UPDATE 24TH JULY 2025

DOMESTIC NEWS

The Kenyan shilling held steady against the U.S. dollar on Wednesday at 129.00/129.40, unchanged from Tuesday, indicating stable market conditions. (Refinitiv).

The World Bank has withheld a KSh 96.93 billion (\$750 million) loan to Kenya due to delays in passing key reforms, including the Conflict-of-Interest Bill. The Senate blocked critical provisions, creating a KSh 97 billion budget gap. Kenya may increase borrowing or cut spending. Talks with the IMF for new funding are ongoing after a previous program collapsed over unmet conditions.

Meanwhile the UK has detailed a 40% cut to its foreign aid budget, reducing spending from 0.5% to 0.3% of gross national income to fund increased defence costs. The biggest reductions will hit Africa, particularly in children's education, women's health, and water sanitation, raising risks of disease and death. While bilateral aid will shrink, funding to multilateral bodies like the World Bank and Gavi will be maintained. The government says the cuts result from a strategic review to improve efficiency, but aid groups warn the most marginalized, especially women and children, will bear the brunt. (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	179.00	171.00	179.00
EUR/KES	147.00	155.00	147.00	154.50
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 May 2025 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar steadied on Wednesday after a three-day slide but remained near a two-week low, buoyed slightly by optimism over a U.S.-Japan trade deal. The Dollar Index held at 97.110. President Trump's reduced tariffs on Japanese imports and Japan's \$550 billion investment pledge boosted market sentiment. However, the dollar remains pressured due to previous trade tensions. Markets now await U.S. housing data ahead of next week's Fed meeting.

EUR/USD fell 0.1% to 1.1745 but remains near a four-year high reached earlier this month. The euro has climbed over 13% this year as investors shift away from U.S. assets amid global economic uncertainty. The European Central Bank is expected to hold interest rates steady on Thursday after eight consecutive cuts, as markets weigh the risk of looming U.S. tariffs. GBP/USD rose 0.2% to 1.3546, supported by the U.K.'s successful trade agreement with the Trump administration. The deal has boosted investor confidence in the pound, offering stability amid global trade tensions and helping to offset broader Brexit-related concerns.

USD/JPY rose 0.1% to 146.72 as early yen gains from the U.S.-Japan trade deal faded due to political uncertainty following reports of PM Ishiba's expected resignation. AUD/USD climbed 0.5% to 0.6577, lifted by improved risk sentiment after the U.S.-Japan trade deal eased regional trade tensions. USD/CNY fell 0.2% to 7.1629, with the yuan slightly stronger on positive regional sentiment from the trade agreement.

Oil prices rose on Thursday, supported by optimism over U.S. trade negotiations and a larger-than-expected drop in U.S. crude inventories. Brent crude edged up 0.3% to \$68.72 a barrel, while WTI rose 0.3% to \$65.47. Markets also drew support from the U.S.-Japan tariff deal, which eased trade tensions and boosted global economic sentiment.

Gold prices edged lower on Wednesday as risk appetite improved following the U.S.-Japan trade deal, reducing demand for safe-haven assets. Spot gold fell 0.1% to \$3,429.01 an ounce, while gold futures slipped 0.1% to \$3,440.60. The trade agreement, which imposes a 15% tariff on Japanese imports, signaled easing trade tensions, dampening gold's appeal. (Investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1568	1.1970
GBP/USD	1.3370	1.3774
USD/ZAR	15.5428	19.5500
USD/AED	3.6528	3.6932
USD/JPY	144.19	148.19