

TREASURY MARKET UPDATE 09TH SEPTEMBER 2025

DOMESTIC NEWS

The Kenyan shilling was largely stable against the U.S. dollar on Monday, holding at 129.00/129.40 per USD, with minimal market-moving flows reported. (Refinitiv).

Kenyan President William Ruto has called for fair and timely debt restructuring for African nations, warning that 21 countries face high debt distress with repayments consuming 13.5% of spending. Speaking in Addis Ababa, he said refinancing and concessional lending are vital as Kenya seeks to manage \$5 billion in eurobond maturities and \$3.5 billion in domestic debt buybacks, while many economies remain reliant on World Bank IDA support amid shrinking aid and market access. (Bloomberg)

On other local news, Kenyan banks cut deposit rates sharply under CBK pressure to lower loan costs, slashing savers' returns by Sh22 billion in the year to June. Despite deposits rising to Sh4.24 trillion, average fixed deposit rates fell to 8.37%, far below bond, money market, and NSE returns, pushing corporates and wealthy individuals to alternative investments. Retail savers earned just 3.76%, below inflation, while banks maintained profit growth through wider interest margins. (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	172.50	178.00	172.50	178.00
EUR/KES	147.00	154.50	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 June 2025 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar extended losses Monday after a weak August jobs report reinforced expectations of a Federal Reserve rate cut at next week's meeting. The Dollar Index slipped 0.1% to 97.590 by 04:15 ET, following a 0.5% drop Friday, as data showed job growth slowing sharply and unemployment rising to 4.3%, the highest in nearly four years. Markets now assign a 10% probability of a 50-basis-point cut, compared with none a week earlier, while upcoming U.S. CPI data could briefly support the greenback if inflation surprises to the upside.

Meanwhile, EUR/USD rose 0.1% to 1.1730 after German industrial production beat expectations with a 1.3% monthly gain in July, though upside was capped by French political uncertainty as Prime Minister François Bayrou faced likely defeat in a confidence vote over his budget bill. France's fiscal woes, with a deficit above 5% of GDP and long-term bond yields at 2009 highs, threaten its ability to rein in debt. Meanwhile, GBP/USD edged 0.1% higher to 1.3520 after Friday's stronger gains, with traders eyeing next week's Bank of England meeting and quantitative tightening plans for fresh direction.

USD/JPY rose 0.3% to 147.80 after Prime Minister Shigeru Ishiba resigned following election losses, deepening Japan's political uncertainty and fueling fiscal and monetary policy concerns. ING noted the pair briefly gapped above 148 but may stall below the 150 level despite the turmoil. Fresh data showed Japan's economy grew faster than initially estimated in Q2 on stronger consumption and inventories. Elsewhere, USD/CNY held steady at 7.1325, while AUD/USD gained 0.3% to 0.6580.

Oil prices rose Tuesday, with Brent at \$66.37 and WTI at \$62.58, after OPEC+ agreed to a smaller-than-expected October output hike of 137,000 bpd, while potential new Russia sanctions added supply concerns. Analysts said the move marks an early reversal of planned cuts, but oversupply risks persist as demand underperforms forecasts.

Gold prices hit fresh record highs in Asian trade Tuesday, with spot gold up 0.6% at \$3,656.70/oz and December futures peaking at \$3,695.25/oz, as bets on a Fed rate cut and a weaker dollar boosted demand. Safe-haven flows were reinforced by political turmoil in France and Japan, as well as rising geopolitical risks from the Russia-Ukraine conflict. (Investing.com)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1573	1.1975
GBP/USD	1.3375	1.3777
USD/ZAR	15.4765	19.4823
USD/AED	3.6520	3.6929
USD/JPY	145.01	149.05