

TREASURY MARKET UPDATE 11TH SEPTEMBER 2025

DOMESTIC NEWS

The Kenyan shilling traded steadily against the U.S. dollar on Wednesday, hovering at 129.00/129.40 per USD, with limited market activity influencing movement.

The Treasury has directed government agencies and counties to resume using the Integrated Financial Management Information System (IFMIS) to procure goods and settle pending bills, following a High Court order freezing the new electronic government procurement (e-GP) system. The shift ends a near three-month standoff that had stalled procurement and disrupted budgets worth an estimated Sh250 billion. While the directive clears the way for payment of utilities and contracts entered before July 2025, uncertainty persists over how new development projects valued at Sh693.2 billion for the current fiscal year will be financed. (Business Daily)

On other local news, Kenya aims to raise over KSh 230 billion in concessional program loans from the World Bank, AfDB, and bilateral partners in FY2025/26 to support the budget and ease reliance on domestic borrowing. The World Bank will provide the largest share at KSh 156 billion, with total external financing—including project loans and grants—covering about a third of net borrowing needs. Disbursements will depend on the government's implementation of reforms tied to governance, fiscal transparency, and sectoral policies. (kenyanwallstreet)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	127.50	131.50	127.50	131.50
GBP/KES	172.00	178.00	172.00	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 edged higher on Wednesday, with the Dollar Index up 0.1% to 97.820 after recent losses, as traders awaited key inflation data that could shape Federal Reserve policy. Despite the rebound, the index is down about 10% in 2025 amid weak job growth, erratic trade policies, and rate cut expectations. Markets are fully pricing in a 25 bps Fed cut next week, with a slim chance of 50 bps, while upcoming producer and consumer inflation reports will guide the size and pace of further easing.

Meanwhile, in Europe, the euro weakened further, with EUR/USD down 0.2% to 1.1692 after President Macron appointed Sebastien Lecornu as prime minister, a move that reinforced his pro-business agenda but heightened political uncertainty, widening French bond spreads to levels matching Italy's. The pound was steady, with GBP/USD at 1.3524, as markets await next week's Bank of England meeting, where sterling is expected to hold firm unless jobs and inflation data surprise sharply on the downside.

In Asia, USD/JPY edged up 0.1% to 147.48, stabilizing after recent volatility sparked by Japanese Prime Minister Shigeru Ishiba's abrupt resignation. The yuan was little changed, with USD/CNY at 7.1217, even as Chinese data showed deeper disinflation with CPI down 0.4% and PPI contracting 2.8% for the 35th straight month. In the Pacific, the Australian dollar strengthened, with AUD/USD rising 0.2% to 0.6602, buoyed by firmer commodity prices as oil gained on Middle East tensions and copper rallied on supply concerns from an Indonesian mine closure.

Oil prices dipped on Thursday, with Brent at \$67.35 and WTI at \$63.53, as weak U.S. demand and oversupply concerns outweighed geopolitical tensions. Rising U.S. crude and gasoline inventories, alongside signs of a slowing economy, shifted focus back to fundamentals and reinforced expectations of a Fed rate cut next week.

Gold prices climbed on Wednesday, with spot gold up 0.6% to \$3,646.10 per ounce and futures at \$3,683.60, holding just below record highs set a day earlier. The rally, fueled by expectations of a Federal Reserve rate cut next week, has lifted gold nearly 40% year-to-date on the back of safe-haven demand tied to U.S. trade policies and strong central bank buying. (Investing.com)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1489	1.1891
GBP/USD	1.3314	1.3716
USD/ZAR	15.5128	19.5180
USD/AED	3.6520	3.6929
USD/JPY	145.66	149.66