



**DOMESTIC NEWS**

The Kenya shilling eased against the dollar on Thursday as foreign currency demand from the oil sector outstripped dollar inflows from Tea exporters and remittances. Commercial banks quoted the shillings at 125.50/70 per dollar compared to 125.45/65 at the close of trading on Wednesday.

In other news locally, The Treasury will now cap expenditure growth at 75 percent of Kenya’s revenue growth rate, as the government plots to improve the exchequer’s chance at fiscal consolidation.

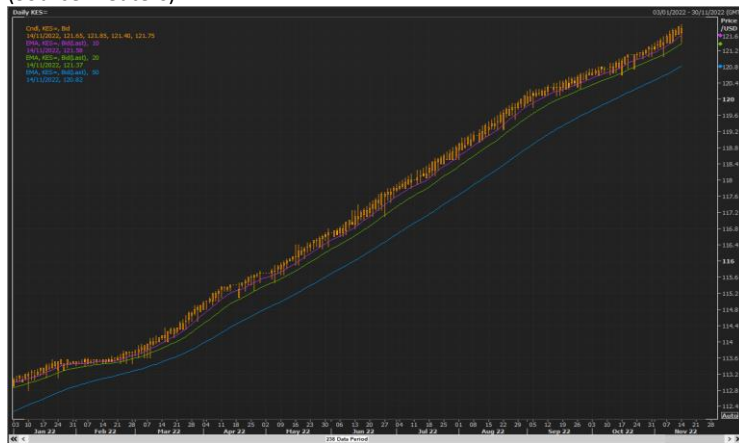
The Planning ministry will also put a limit to projections on revenue growth to avoid having overambitious tax targets that have plagued previous budgets when unmet, leading to wider fiscal deficits. According to treasury, Revenue projection will not exceed the average growth in preceding three years and expenditure growth capped at 75 percent of the revenue growth rate. In essence, for every Sh100 in additional revenue, the Treasury will endeavor to keep new spending at no more than Sh75. The move to tie up spending to revenue growth is expected to complement additional fiscal consolidation measures as the Treasury angles for a fiscal deficit of no more than three percent in the 2026-27 budget. *(Business daily)*

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	121.65	133.15	121.65	132.15
GBP/KES	146.16	159.16	145.36	160.06
EUR/KES	128.78	142.68	129.08	145.58
AED/KES	30.21	43.21	32.21	40.21

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	7.00%	1.25%
1 Month	7.00%	2.00%
3 Months	7.50%	2.50%
6 Months	8.00%	3.25%
1 year	8.50%	4.00%

(Source: Reuters)



**INTERNATIONAL NEWS**

The U.S. dollar held gains against a basket of currencies on Thursday, bolstered by stronger-than-expected producer prices and falling jobless claims, hinting that the Federal Reserve would have to maintain its inflation-fighting interest rate hikes for longer.

Earlier, the dollar index hit six-week highs, rising to six-week peaks as well against the yen, euro, and Australian dollar. By afternoon trading, the dollar pulled back and traded within narrow ranges.

Against the yen, the U.S. dollar also hit a six-week peak but was last down 0.1% at 133.94. Yen traders are waiting for a speech by Kazuo Ueda, the nominee to become the Bank of Japan's next governor, at a confirmation hearing at the lower house of parliament on Feb. 24. In the commodities markets, Oil prices were on track for weekly losses as strong U.S. economic data heightened concerns that the Federal Reserve would further tighten monetary policy to tackle inflation, a move that could hit fuel demand even as crude stockpiles grow. Brent crude futures dropped 64 cents, or 0.75%, to \$84.50 per barrel by 0334 GMT on Friday, while U.S. West Texas Intermediate (WTI) crude futures shed 59 cents, also a 0.75% loss, to \$84.50. Both benchmarks were headed for a weekly decline of more than 2%.

Gold prices fell on Friday as stronger-than-expected U.S. inflation data and hawkish comments from Federal Reserve officials brewed concerns over more interest rate hikes, while optimism over China saw copper prices outpace metal markets this week. Spot gold sank 0.2% to \$1,833.67 an ounce, while gold futures fell 0.5% to \$1,842.75 an ounce. Prices of the yellow metal were set to lose between 1% and 1.7% this week, their third straight week in red. Other precious metals also sank on Friday. Platinum futures fell 0.6% to \$920.30 an ounce- an over three-month low, while silver futures slumped 1.2% to \$21.448 an ounce, a 2-½ month low.

Among industrial metals, copper prices retreated on Friday but were still set to end the week positive on optimism over China and potential supply disruptions. High-grade copper futures fell 0.2% to \$4.1137 a pound and were set to rise 2.4% this week - their best weekly performance since early-January. *(Reuters)*

**Indicative Cross Rates**

	Bid	Offer
EUR/USD	1.0436	1.0839
GBP/USD	1.1747	1.2150
USD/ZAR	16.2143	19.2285
USD/AED	3.6624	3.6824
USD/JPY	132.75	136.75