

**DOMESTIC NEWS**

The Kenyan shilling strengthened slightly against the U.S. dollar on Thursday, trading at 128.80/129.80 compared to 129.20/130.20 on Wednesday. The currency has remained rangebound since August. (Refinitiv).

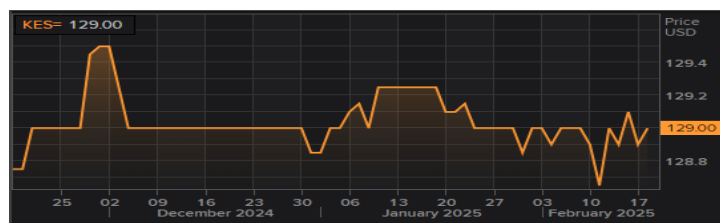
Kenya issued a \$1.5 billion Eurobond at 9.5% interest to refinance a \$900 million Eurobond maturing in May, leading to an additional Sh10.3 billion in interest costs. The government took \$600 million extra to repay syndicated loans, aligning with its debt management strategy. However, Kenya's borrowing costs have risen due to credit rating downgrades and global interest rate hikes, making external financing more expensive. Market conditions improved in early 2024, allowing Kenya to raise another \$1.5 billion at 9.75% to refinance a 2014 Eurobond, though at a higher cost. (Business Daily)

Meanwhile, Kenyans reduced their use of government services in 2024 following sharp fee increases for key documents like IDs, passports, and land searches, leading to a rare drop in non-tax revenue. Despite higher charges, appropriations in aid fell to Sh210.9 billion in the six months to December 2024, down from Sh224.6 billion the previous year. Experts attribute this decline to reduced demand for paid government services. While the government aimed to boost revenues and reduce reliance on exchequer funding, the strategy has not yielded the expected results. However, external grant receipts more than doubled to Sh14.7 billion, partly offsetting the revenue shortfall. (Business Daily).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	124.25	134.25	124.25	134.25
<b>GBP/KES</b>	158.65	171.65	157.85	172.55
<b>EUR/KES</b>	129.35	143.25	129.65	146.15
<b>AED/KES</b>	31.19	44.19	33.19	44.69

	Amounts > 10 million	Amounts >100,000
	KES	USD
<b>2 Weeks</b>	7.00%	1.50%
<b>1 Month</b>	7.25%	2.25%
<b>3 Months</b>	7.50%	2.75%
<b>6 Months</b>	7.75%	3.00%
<b>1 year</b>	8.00%	3.50%



**INTERNATIONAL NEWS**

The US dollar strengthened, with the Dollar Index (DXY) rising to 107.2, driven by higher-than-expected PCE inflation (2.7%) and steady Q4 GDP growth (2.3%). However, jobless claims rose to 242K, signaling some labor market weakness. Trump's tariff announcements on Mexico and Canada added market uncertainty, further supporting the dollar.

GBPUSD fell 0.6% to the 1.2600 range, pressured by Trump's hint at potential UK tariffs if a trade deal remains unresolved. Risk sentiment weakened after mixed US economic data and concerns over inflation pressures, adding to GBP's decline.

EURUSD declined amid renewed US-EU trade tensions, with Trump threatening "reciprocal" tariffs by April. Market risk aversion and stronger US economic data supported the dollar, while Eurozone uncertainty weighed on the euro.

USD/JPY traded near 149.50, as risk aversion boosted yen demand, despite weak Tokyo CPI and Japan retail sales data. A US Treasury bond sell-off weighed on the pair, while markets awaited further US inflation data for Fed policy signals.

Oil prices declined on Friday, heading for their first monthly drop since November, as concerns over global economic growth, U.S. tariff threats, and signs of an economic slowdown outweighed supply concerns. May Brent crude futures fell 0.4% to \$73.26 per barrel, while U.S. WTI crude dropped 0.4% to \$70.04 per barrel. The front-month Brent contract, expiring later on Friday, traded at \$73.69, down 0.5%, reflecting broader market uncertainty.

In other commodities news, Gold prices dropped to a two-week low on Thursday as a stronger U.S. dollar (+0.7% DXY) made bullion more expensive for foreign buyers. Spot gold fell 1.1% to \$2,885.13 per ounce, after hitting a record high of \$2,956.15 on Monday due to safe-haven demand. U.S. gold futures settled 1.2% lower at \$2,895.90. Investors are now focused on the U.S. PCE inflation data due Friday, which could influence the Federal Reserve's monetary policy and gold's direction.

(fxstreet.com).

**Indicative Cross Rates**

	Bid	Offer
<b>EUR/USD</b>	1.0185	1.0587
<b>GBP/USD</b>	1.2376	1.2782
<b>USD/ZAR</b>	16.4734	20.4818
<b>USD/AED</b>	3.6524	3.6928
<b>USD/JPY</b>	148.06	152.10