

## DOMESTIC NEWS

The Kenyan shilling was stable against dollar on Friday, data from the London Stock Exchange Group showed. The shilling traded at 129.00/40 per dollar, unchanged from Thursday's close. (Refinitiv).

Kenya has repurchased Ksh 77.5 billion (\$600 million) in syndicated loans using proceeds from its recent Ksh 193.8 billion (\$1.5 billion) Eurobond. This move is part of the government's liability management strategy to reduce debt servicing costs and ease external debt pressures. Additionally, Ksh 74.9 billion (\$579.6 million) was used to partially redeem a Ksh 116.2 billion (\$900 million) Eurobond maturing in 2027, leaving a balance of Ksh 41.4 billion (\$320.4 million). The buyback aims to improve debt sustainability, create fiscal space, and boost investor confidence by reducing high-interest obligations. (Business Daily)

On other local news, Kenyan counties' pending bills rose by Ksh 25.8 billion in 2024, reaching Ksh 182 billion by December, as most failed to honor payment commitments due to revenue delays. The Controller of Budget warns of financial distress for suppliers and business closures. Nairobi County holds 65% of the pending bills, increasing to Ksh 118.26 billion despite paying Ksh 3.5 billion. Other counties, including Elgeyo Marakwet, Kajiado, Kericho, and Nakuru, also failed to meet their payment targets. (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>	162.87	175.87	162.07	176.77
<b>EUR/KES</b>	135.13	149.03	135.43	151.93
<b>AED/KES</b>	31.19	44.19	33.19	44.69

Amounts > 10 million		Amounts >100,000
KES		USD
<b>2 Weeks</b>	6.50%	1.50%
<b>1 Month</b>	6.75%	2.25%
<b>3 Months</b>	7.00%	2.75%
<b>6 Months</b>	7.25%	3.00%
<b>1 year</b>	7.50%	3.50%



**USD movement from December 2024 – Date** (Source: Reuters)

## INTERNATIONAL NEWS

The U.S. dollar fell to a four-month low on Friday amid concerns that trade policy uncertainty could hurt economic growth. The Dollar Index dropped 0.4% to 103.605. Investors remain unsettled by President Trump's unpredictable tariff decisions, including a temporary exemption for Canada and Mexico. Federal Reserve officials warned that these policies could impact confidence and inflation. Markets now await U.S. nonfarm payroll data for further economic signals.

The euro surged to its highest level since November, with EUR/USD rising 0.7% to 1.0859, driven by Germany's plans to ease fiscal rules. The euro gained 4% this week, its biggest jump since March 2020. Despite the European Central Bank's recent rate cut, an upward revision of inflation forecasts may slow future cuts. Analysts see strong support for the euro around 1.0670–1.0700, with investors likely buying on dips.

GBP/USD rose 0.5% to 1.2941, climbing to levels last seen in November as sterling benefits from the dollar weakness.

In Asia, the Japanese yen strengthened to a five-month high, with USD/JPY falling 0.5% to 147.38. Safe-haven demand and speculation about potential interest rate hikes by the Bank of Japan contributed to the yen's gains.

USD/CNY traded 0.3% lower to 7.2280, with the pair set to lose 0.5% this week.

Oil prices fell due to U.S. tariff concerns, rising OPEC+ output, and weak demand signals. Brent dropped to \$70.05, and WTI to \$66.69. WTI saw its longest losing streak since 2023. OPEC+ plans to raise output but may reverse if needed. The U.S. considers adjusting sanctions on Russia and maintaining pressure on Iran amid geopolitical tensions. (Investing.com)

Gold prices rose slightly on Monday, supported by a weaker U.S. dollar and safe-haven demand amid trade conflict fears. Spot gold reached \$2,911.71 per ounce, with U.S. futures at \$2,917.90. Analysts predict gold could soon reach \$3,000 as economic risks grow. U.S. tariff actions on Mexico, Canada, and China have fueled market uncertainty. Investors await key U.S. inflation data this week, which could influence Federal Reserve interest rate decisions. While gold is a hedge against inflation and political risks, higher interest rates may reduce its appeal. (Reuters).

### Indicative Cross Rates

	Bid	Offer
<b>EUR/USD</b>	1.0643	1.1044
<b>GBP/USD</b>	1.2717	1.3121
<b>USD/ZAR</b>	16.2834	20.2913
<b>USD/AED</b>	3.6527	3.6928
<b>USD/JPY</b>	145.68	149.69