

DOMESTIC NEWS

The Kenyan shilling (KES) remained stable on Thursday, quoted at 129.25/129.45 per dollar, the same as Wednesday's close. The stability was supported by subdued dollar demand from importers. (Refinitiv).

Kenya is introducing new anti-money laundering rules requiring dealers in precious metals and stones to report cash transactions above Sh1.9 million (\$15,000) to help the country exit the FATF grey list, where it was placed in February 2024 due to weak financial controls. The proposed amendment, tabled in Parliament, aims to enhance oversight of the sector, which has been linked to illicit gold smuggling from conflict-ridden eastern DRC. A report by ESAAMLG highlighted Kenya's lack of supervision in this area, increasing money laundering risks. Grey listing has led to reputational damage, higher borrowing costs, and potential investor withdrawal, prompting the government to tighten regulations on miners, brokers, refiners, and jewelry manufacturers under the Ministry of Petroleum and Mines. (Business Daily).

On other local news, Kenyan infrastructure bond (IFB) investors have enjoyed high returns as the government increased borrowing through tax-free securities. Between January 2023 and February 2025, IFBs grew by Sh533 billion to Sh1.92 trillion, with interest rates reaching 18.46%, outperforming equities, property, and fixed deposits. The government turned to costly domestic borrowing due to a cash crunch, abandoned tax plans, and high global interest rates. IFBs now make up 32.5% of Kenya's Sh5.9 trillion debt stock, highlighting their growing role in budget financing. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.40	134.40	124.40	134.40
GBP/KES	163.42	176.42	162.62	177.32
EUR/KES	135.23	149.13	135.53	152.03
AED/KES	31.23	44.23	33.23	44.73

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



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

INTERNATIONAL NEWS

The U.S. dollar strengthened as traders bet against near-term Federal Reserve rate cuts, with markets expecting rates to stay higher for longer despite the Fed maintaining its forecast for 50 basis points of cuts in 2025. Resilient U.S. jobless claims further reduced the likelihood of cuts.

Meanwhile, Fed Chair Jerome Powell kept rates unchanged, citing uncertainty surrounding economic conditions, potential tariffs, and inflation risks. Trump continued pressuring the Fed to lower rates, arguing tariffs would ease into the economy, but officials remain cautious, awaiting clearer policy direction. The OECD downgraded global growth forecasts, citing the impact of trade barriers and inflationary pressures.

GBP/USD pair fell 0.2% to 1.2956 after U.K. jobs data showed stability, with unemployment holding at 4.4% and wage growth at 5.9%. The Bank of England is expected to keep interest rates unchanged, especially after inflation edged higher last month.

EUR/USD the euro weakened 0.4% to 1.0854 following ECB President Christine Lagarde's warning that a full-scale trade war with the U.S. could significantly harm the eurozone economy and drive inflation higher. Retaliatory EU tariffs are set to take effect in April.

USD/CHF the dollar strengthened against the Swiss franc, pushing USD/CHF up 0.4% to 0.8822 after the Swiss National Bank cut interest rates by 25 basis points to 0.25%, marking its fifth consecutive rate cut since March 2024.

Gold prices declined in Asian trading as a stronger U.S. dollar pressured the metal, with traders expecting interest rates to remain unchanged. Despite the drop, gold stayed above \$3,000 an ounce due to safe-haven demand amid economic uncertainty and Trump's trade policies. Spot gold fell 0.5% to \$3,029.61/oz, while May futures dropped 0.2% to \$3,037.09/oz. The dollar's recovery, following the Fed's decision to keep rates steady, contributed to gold's decline, despite Trump's calls for rate cuts.

On other commodities, Oil prices rose for a second consecutive week as fresh U.S. sanctions on Iran and OPEC+'s planned output cuts fueled expectations of tighter supply. Brent crude climbed 0.3% to \$72.21 per barrel, while WTI rose 0.4% to \$68.32 per barrel, both set for a 2% weekly gain. The U.S. Treasury's new sanctions, which targeted a Chinese refiner for the first time, marked an escalation in enforcement against Iranian oil exports. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0635	1.1037
GBP/USD	1.2735	1.3137
USD/ZAR	16.1858	20.1889
USD/AED	3.6529	3.6932
USD/JPY	147.47	151.49