



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24TH JANUARY 2024

### DOMESTIC NEWS

Kenya's shilling KES= held steady against the dollar on Tuesday, LSEG data showed. Commercial banks quoted the shilling at 162.00/163.00, the same as Monday's closing level. (Reuters).

Money sent home by Kenyans living abroad continued on a growth trajectory to hit a record Sh671 billion (\$4.19 billion) in 2023, significantly boosting the country's current account balance amid falling export revenue. Data from the Central Bank of Kenya shows that diaspora remittances in the 12 months to December 2023 increased by 4 percent from the \$4.028 (Sh645 billion at current exchange rates) recorded in a similar period in 2022. The rise in remittances was largely driven by growth in diaspora receipts from within Africa, which increased by more than 50 percent year-on-year in the 12 months to November 2023.

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	159.00	171.00	159.00	171.00
GBP/KES	203.00	216.00	202.20	216.90
EUR/KES	172.15	186.05	172.45	188.95
AED/KES	40.38	53.38	42.38	53.88

	Amounts > 10 million KES	Amounts >100,000 USD
2 Weeks	9.50%	1.50%
1 Month	9.75%	2.50%
3 Months	10.00%	3.25%
6 Months	10.25%	3.50%
1 year	10.50%	4.25%



USD movement from Oct 2023 – Date (Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar slipped lower in early European trade Tuesday, while the Japanese yen appreciated in the wake of the latest Bank of Japan policy meeting. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower at 102.997, handing back some of the almost 2% gains it has seen since the start of this year. The greenback drifted lower Tuesday, but remained close to one-month highs as traders' price in a greater chance that the central bank will keep rates steady in March, a marked reversal from earlier expectations for a cut. The Fed is widely expected to keep rates on hold when it meets next week, and ahead of these investors will have some key U.S. economic readings to digest.

On the other hand, In Europe, EUR/USD traded 0.1% higher at 1.0886, ahead of the European Central Bank's policy-setting meeting on Thursday. The ECB is certain to keep rates steady, and thus investors will focus on the tone of the policy statement and President Christine Lagarde's press conference. GBP/USD traded 0.2% higher at 1.2724, with sterling helped by the release of data showing U.K. public sector borrowing fell to £7.8 billion last month, around half the sum borrowed a year earlier and the lowest figure for a December since 2019. In Asia, USD/JPY fell 0.5% to 147.39, after the Bank of Japan maintained its ultra-low interest rates and stuck to its ultra-dovish policies, as widely expected.

In the commodities markets, gold prices edged lower in Asian trade on Wednesday, sticking to a trading range established over the past week as markets grew more uncertain over U.S. interest rate cuts this year. Gold was reeling from a weak start to 2024, but the yellow metal rebounded on some safe-haven demand, especially as geopolitical conditions in the Middle East worsened. This rebound also saw gold establish a trading range of between \$2,000 to about \$2,050 an ounce over the past week. Spot gold fell 0.3% to \$2,023.92 an ounce, while gold futures expiring in February fell 0.1% to \$2,024.65 an ounce.

On the other hand, oil prices edged lower on Wednesday, weighed down by concerns over tepid demand and a stronger dollar even though escalating geopolitical tensions limited the losses. The front-month March contract for Brent crude dipped 14 cents, or 0.1%, to \$79.41 a barrel as at 0333 GMT. U.S. West Texas Intermediate crude ticked down 11 cents, or 0.2%, to \$74.26 a barrel. U.S. crude stocks fell by 6.67 million barrels in the week ended Jan. 19.

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0659	1.1061
GBP/USD	1.2497	1.2903
USD/ZAR	17.0295	21.0440
USD/AED	3.6524	3.6934
USD/JPY	145.91	149.91