



DIB Bank Kenya

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TREASURY MARKET UPDATE 08TH FEBRUARY 2024

DOMESTIC NEWS

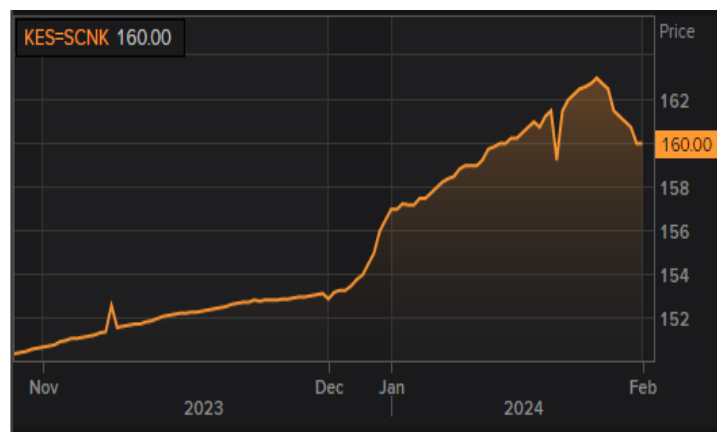
The Kenyan shilling gained slightly on Wednesday, after the central bank governor said it had overshot its equilibrium rate and there could be scope to support it. Commercial banks quoted the shilling at 159.90/160.90, compared with Tuesday's close of 160.00/161.00. (Reuters).

The World Bank has lined up Sh240.4 billion (\$1.5 billion) in new funding to Kenya before the lapse of the current fiscal year to June. The Central Bank of Kenya (CBK) disclosed the new funding marked for disbursement between March and April. "We are also expecting disbursements from the World Bank, around March and April, of around \$1.5 billion, according to the National Treasury," CBK Governor Kamau Thugge said on Wednesday. The new funding represents extended support from the multilateral lender which has traditionally disbursed between Sh120.2 billion (\$750 million) and Sh160.3 billion (\$1 billion) a year via its Development Policy Operations facility in recent years. The new funding is expected to ease jitters on Kenya's ability to meet the maturity of its debut Sh320.6 billion (\$2 billion) in June by ensuring the availability of hard currency. (Reuters).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	155.50	165.50	155.50	165.50
GBP/KES	198.75	211.75	197.95	212.65
EUR/KES	168.17	182.07	168.47	184.97
AED/KES	39.70	52.70	41.70	53.20

	Amounts > 10 million	Amounts >100,000
	KES	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 Nov 2023 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar was trading in a tight range on Thursday as traders digested less dovish remarks from policymakers overnight and looked ahead to fresh economic data from the United States. Overnight, several Fed speakers gave a range of reasons for feeling little urgency to start easing policy in the United States soon or to move quickly once they do. "For the moment, policy remains well positioned, as we carefully assess the evolving data and outlook," Boston Fed President Susan Collins said, adding that she believes it will be "appropriate to begin easing policy restraint later this year." The greenback slipped overnight after rising above its 100-day moving average on Monday and Tuesday for the first time since late November, propelled by Friday's surging U.S. jobs data. The dollar index, a measure of the U.S. currency against six major peers, was last hovering around 104.00. CPI fell 0.8% in January from a year earlier, but rose 0.3% month-on-month, data revealed.

On the other hand, The EURUSD was up 0.06% at \$1.0777 per dollar, holding above its lowest level since Nov. 14 at \$1.0722 hit on Tuesday. GBPUSD was largely unchanged at \$1.26305. USDJPY meanwhile, was flat versus the greenback at 148.18. The offshore Chinese yuan was mostly flat at \$7.2100.

In the commodities markets, Gold prices drifted slightly lower on Thursday, taking little support from a decline in the dollar and yields as markets remained on edge over the prospect of higher-for-longer U.S. interest rates. Spot gold fell 0.1% to \$2,032.61 an ounce, while gold futures expiring in April fell 0.2% to \$2,047.55 an ounce. Higher interest rates diminish gold's appeal by increasing the opportunity cost of investing in the yellow metal. Copper futures expiring in March rose 0.4% to \$3.7523 a pound, but were just above their lowest levels since mid-January.

On the other hand, Oil extended gains on Thursday after Israel rejected a ceasefire offer from Hamas, while a weaker dollar also supported prices. Brent crude futures rose 30 cents, or 0.4%, at \$79.51 a barrel. U.S. West Texas Intermediate crude futures climbed 26 cents, or 0.4% to \$74.12 a barrel. Wider Middle East tensions have kept the market on edge since October, with limited progress in talks to end the Gaza conflict. A Palestinian Hamas delegation led by senior official Khalil Al-Hayya was due to travel on Thursday to Cairo for ceasefire talks with Egypt and Qatar. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0584	1.0986
GBP/USD	1.2429	1.2832
USD/ZAR	16.8834	20.8976
USD/AED	3.6526	3.6934
USD/JPY	146.62	150.65