

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 22ND FEBRUARY 2024

DOMESTIC NEWS

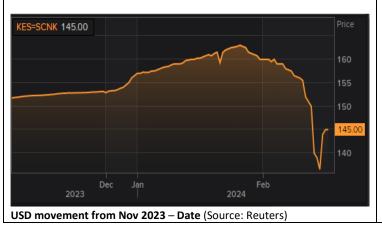
Kenya's shilling slipped on Wednesday, undermined by importer demand for dollars though inflows from the agriculture sector cushioned its fall. Commercial banks quoted the shilling at 146.00/147.00 per dollar compared with Tuesday's closing rate of 145.00/146.00 (Reuters).

President William Ruto's administration scored another legislative victory on Wednesday after the National Assembly passed the controversial Affordable Housing Bill 2023, which seeks to give the government the green light to resume implementing the President's pet homes programme without running afoul of the law. The Bill, which will now be sent to the Senate for concurrence, will anchor in law the decision to collect a 1.5 percent levy on workers' gross pay. The Bill was passed as per the President's wishes in his speech during a joint retreat for the ruling Kenya Kwanza coalition's legislators and the Executive in Naivasha on Monday. Going by the way the ruling coalition whipped its members to support the controversial Bill, it is unlikely to be reversed by the Senate. In order to address the issues raised by the court, the Bill has extended the imposition of the affordable housing levy to incomes other than salaries paid to employees in the formal employment sector. (Reuters).

Indicative Forex Rates

THE TOTAL TELES						
	Buy Cash	Sell Cash	Buy TT	Sell TT		
USD/KES	140.50	150.50	140.50	150.50		
GBP/KES	179.93	192.93	179.13	193.83		
EUR/KES	152.69	166.59	152.99	169.49		
AED/KES	35.61	48.61	37.61	49.11		

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%



INTERNATIONAL NEWS

The dollar index edged lower on Wednesday after minutes from the Federal Reserve's January meeting came in largely as expected and showed that the bulk of policymakers were concerned about the risks of cutting interest rates too soon. Traders have pushed back expectations on when the Fed will begin cutting rates to June as officials caution that they want to see more evidence that inflation will continue to decline. "Participants highlighted the uncertainty associated with how long a restrictive monetary policy stance would need to be maintained" to return inflation to the Fed's 2% target, said the meeting minutes. "The overall message is that they're watching the progress but they're not quite there," said Vassili Serebriakov, an FX strategist at UBS in New York. Higher than expected consumer and producer price inflation last week has raised the possibility that the Fed could hold rates higher for longer, or even make further hikes if it continues. The dollar index was last down 0.04% on the day at 104.00, after reaching 103.79 on Tuesday, the lowest since Feb. 2.

On the other hand, GBPUSD was up 0.11% at \$1.2632 after figures showed Britain chalked up its highest ever monthly budget surplus in January ahead of finance minister Jeremy Hunt's annual budget in March. EURUSD gained 0.1% to \$1.0815. USDJPY rose 0.13% to 150.19. USDINR hovered just below the 83 level to the dollar, with Indian services PMI due later in the day.

In the commodities markets, Gold prices rose slightly in Asian trade on Thursday, but remained largely within a recent trading range as a slew of signals from the Federal Reserve reiterated the prospect of higher-for-longer U.S. interest rates. Bullion prices saw some relief this week as the dollar fell sharply from three-month highs. But further losses in the greenback now appeared limited, as Treasury yields remained close to recent peaks. Spot gold rose 0.2% to \$2,029.78 an ounce, while gold futures expiring in April rose 0.3% to \$2,039.55 an ounce.

On the other hand, Oil prices rose for a second day on Thursday on expectations that demand in the U.S., the world's biggest oil consumer, will improve as refineries try to return to service after outages and as the dollar weakened. Brent crude futures rose 17 cents, or 0.2%, to \$83.20 a barrel at 0510 GMT. U.S. West Texas Intermediate crude futures for April climbed 19 cents, or 0.2%, to \$78.10 a barrel. (Reuters).

Indicative Cross Rates					
Bid		Offer			
EUR/USD	1.0637	1.1037			
GBP/USD	1.2447	1.2847			
USD/ZAR	16.9086	20.9083			
USD/AED	3.6529	3.6931			
USD/JPY	148.24	152.24			

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