



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH FEBRUARY 2024

DOMESTIC NEWS

The Kenyan shilling slipped in quiet trade on Monday, with one trader saying he expected the currency to fall further into next month as dollar demand was expected to pick up and the economic backdrop still looked challenging. LSEG data showed the shilling at 145.50/146.50 per U.S. dollar, compared with Friday's close of 145.00/146.00. (Reuters).

The Capital Markets Authority (CMA) has given the nod to the setting up of the contentious recovery board for troubled companies listed on the Nairobi Securities exchange (NSE) in a move aimed at protecting investor interests and reviving confidence in the stock market. The move will see troubled firms such as TransCentury, Kenya Airways, Mumias Sugar Company and Uchumi Supermarkets transferred to the special board for two years to help them get back to stronger footing. Failure to recover within this period would eventually lead to delisting of such companies from the exchange. TransCentury, Kenya Airways, Mumias Sugar Company and Uchumi Supermarkets are currently grappling with a mix of depleted shareholder funds, losses, lack of sales and financial reporting gaps, presenting a great risk for uninformed investors. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	141.50	151.50	141.50	151.50
GBP/KES	181.78	194.78	180.98	195.68
EUR/KES	154.05	167.95	154.35	170.85
AED/KES	35.89	48.89	37.89	49.89

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 steadied in early European trade Monday but remained elevated at the start of a week dominated by key inflation releases, including the Federal Reserve's favorite gauge. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded marginally lower at 103.832, having bounced from the 103.43 level seen at the end of last week, the lowest since Feb. 2. The dollar recorded its first weekly loss in 2024 last week, but remained within sight of three-month highs, as a chorus of Federal Reserve officials warned that the bank was in no hurry to begin trimming interest rates early, especially as inflation remained sticky.

On the other hand, In Europe, EUR/USD traded 0.2% higher at 1.0835, with the euro posting small gains ahead of Friday's closely watched eurozone inflation data, the last such reading before the upcoming European Central Bank meeting on March 7. GBP/USD traded 0.1% lower at 1.2672, with sterling still hit by the drop in U.K. consumer confidence at the end of last week. In Asia, USD/JPY traded 0.1% higher to 150.59, with the yen still well above the 150 level and remaining close to three-month lows. USD/CNY edged 0.1% higher to 7.1985, following a stronger-than-expected midpoint fix from the People's Bank.

In the commodities markets, gold prices stuck to a tight range in Asian trade on Tuesday as investors looked to a swathe of upcoming economic data for more trading cues, although the near-term outlook for the yellow metal remained constrained. Bullion prices also remained largely within a \$2,000 to \$2,050 an ounce trading range established over the past two months, as any potential upside in the yellow metal was largely quashed by the prospect of higher for longer U.S. interest rates. Spot gold rose 0.1% to \$2,033.36 an ounce, while gold futures expiring in April rose 0.2% to \$2,042.60 an ounce.

On the other hand, Oil prices on Tuesday mostly held onto gains made a day earlier amid attacks on shipping in the Red Sea that have exacerbated supply worries. Brent crude futures fell 1 cent to \$82.52 a barrel, while U.S. West Texas Intermediate crude futures (WTI) rose 1 cent to \$77.59 a barrel. The attacks by Iran-aligned Houthis in support of Palestinians have increased freight rates and shipping times. On Monday, U.S. Central Command said that the Houthis had unsuccessfully fired a missile at the U.S. flagged oil tanker Torm Thor in the Gulf of Aden on Feb. 24. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0646	1.1048
GBP/USD	1.2477	1.2881
USD/ZAR	17.2956	21.3055
USD/AED	3.6526	3.6936
USD/JPY	148.47	152.49