



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 06TH MARCH 2024

DOMESTIC NEWS

Kenya's shilling strengthened on Tuesday, helped by dollar inflows from non-governmental organizations, remittances and investors interested in buying government bonds. Commercial banks quoted the shilling at 143.00/144.00 per dollar, compared with Monday's close of 144.00/145.00. (Reuters).

County governments settled Sh10.5 billion pending bills in the six months ended December 2023, handing relief to businesses strained by cash flow. At least 43 counties reported spending between Sh17 million and Sh1.8 billion each on payments to suppliers during the six months, even as some continued with verification, the latest report by the Controller of Budget (COB) shows. By the end of December, the COB report shows, the stock of pending bills for all 47 counties dropped to Sh156.3 billion from Sh164.7 billion when July started.

On other local news Parliament has increased its budget by Sh2 billion after MPs changed the spending limit set by the Treasury for the financial year starting July 1, 2024. The Treasury had through the Budget Policy Statement (BPS) set Parliament's budget for the financial year 2024/25 at Sh41.62 billion. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	138.00	148.00	138.00	148.00
GBP/KES	177.62	190.62	176.82	191.52
EUR/KES	150.28	164.18	150.58	167.08
AED/KES	34.93	47.93	36.93	48.43

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 Dec 2023 – Date (Source: Reuters)

INTERNATIONAL NEWS

The dollar edged down against a basket of currencies on Tuesday after data showed U.S. services industry growth eased and as investors braced for a busy week that includes a European Central Bank rate decision, congressional testimony from Federal Reserve Chair Jerome Powell and U.S. jobs data. U.S. services industry growth slowed a bit in February amid a decline in employment, according to the Institute for Supply Management (ISM). Separately, data showed new orders for U.S.-manufactured goods dropped more than expected in January. The dollar index, which measures the buck against six major peers, was down 0.04% to 103.8. The dollar index, which measures the buck's strength against a basket of six currencies, is up about 2.3% for the year, lifted by better-than-expected U.S. economic data, but the currency's rally has stalled in recent sessions, as investors await clarity on Fed policy. Chair Powell is likely to reinforce the message that the Fed wants to wait for more data before any rate cuts when he testifies to Congress about inflation and the economy on Wednesday and Thursday.

On the other hand, GBPUSD rose 0.09% to \$1.2702 ahead of the British budget on Wednesday. USDJPY slipped 0.4% to 149.925, retreating further from last week's high of 150.85. EUR/USD on Wednesday remained confined in a narrow band around mid-1.0800s through the Asian session.

In the commodities markets, Gold prices fell from record highs in Asian trade on Wednesday as traders remained on edge before a closely-watched testimony from Federal Reserve Chair Jerome Powell, although a rout in risk-driven markets pointed to more safe-haven demand. Spot gold hit a record high of \$2,142.15 an ounce, while gold futures hit a peak of \$2,150.50 an ounce on Tuesday. Gold's Tuesday bounce came amid sharp losses in Wall Street, as stocks faced some correction at record high.

On the other hand, Oil prices rebounded slightly on Wednesday after extended declines as signs of supply tightness amid output cuts by major producers overrode demand growth concerns in China and the U.S., the world's two biggest crude consumers. Brent crude futures were up 17 cents to \$82.21 a barrel at 0440 GMT after falling in the previous four sessions, while U.S. West Texas Intermediate crude futures rose 19 cents to \$78.34 a barrel, after declining the past two days. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0654	1.1058
GBP/USD	1.2503	1.2908
USD/ZAR	16.9494	20.9575
USD/AED	3.6524	3.6934
USD/JPY	147.85	151.88

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