



DIB Bank Kenya

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TREASURY MARKET UPDATE 11TH MARCH 2024

DOMESTIC NEWS

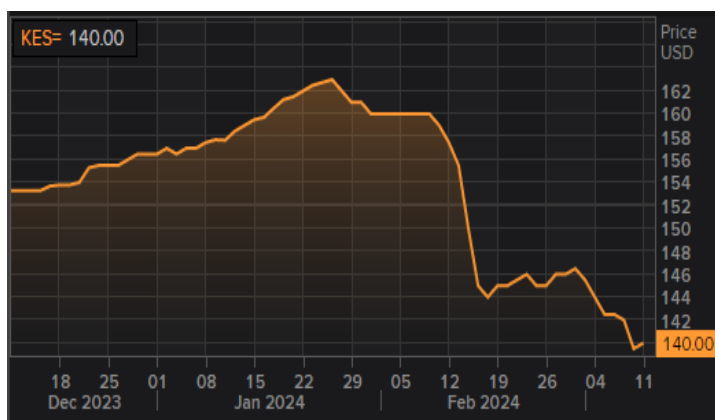
Kenya's shilling KES= strengthened on Friday. Commercial banks quoted the shilling at 140.00/141.00 per dollar, compared with Thursday's closing rate of 142.00/143.00. (Reuters).

Public agencies have been handed a boost after the Treasury activated a new law allowing them to engage more than one vendor for the same item sought. The new regulations by Treasury Cabinet Secretary Njuguna Ndung'u enable the agencies to sign agreements that allow for the supply of goods or services whose quantities and delivery schedules are not definable at the beginning of the contracting period. "Pursuant to section 141(1) of the Act (Public Procurement and Asset Disposal Act,2015), an accounting officer shall apply framework contracting arrangements with respect to (a) indefinite delivery contracts; (b) multiple awards of indefinite quantity; and (c) multiple awards of definite quantity," he said in a legal notice. The Public Procurement Regulatory Authority (PPRA) monitors, assesses, and reviews the public procurement and asset disposal system to ensure it abides by national values and other constitutional provisions. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	135.00	145.00	135.00	145.00
GBP/KES	175.93	188.93	175.13	189.83
EUR/KES	148.27	162.17	148.57	165.07
AED/KES	34.12	47.12	36.12	47.62

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

Most Asian currencies moved in a limited range on Monday, while the dollar languished near two-month lows as markets awaited key U.S. inflation data for more cues on when the Federal Reserve will cut interest rates. The dollar index and dollar index futures steadied above the 102 level on Monday, after clocking steep losses last week. The greenback was walloped by comments from Fed Chair Jerome Powell that the central bank was close to seeing enough evidence of easing inflation. Powell also clarified that he was not looking for inflation to reach 2% to begin considering rate cuts. Adding to this pressure, data on Friday showed nonfarm payrolls grew more than expected in February. But January's reading was revised substantially lower, while other readings showed unemployment rose, indicating some cooling in the labor space. Powell's comments put Tuesday's CPI data squarely in focus, especially as several other Fed officials also signaled that any interest rate cuts by the Fed will depend largely on the path of inflation.

On the other hand, EUR/USD edged 0.1% lower to 1.0938, with the euro slipping back slightly after hitting an almost two-month high earlier Friday ahead of the latest reading of eurozone quarterly growth. GBP/USD traded 0.1% higher at 1.2820. USD/JPY traded 0.2% lower to 147.76. USD/CNY edged lower to 7.1922, while AUD/USD rose 0.3% to 0.6637 and NZD/USD rose 0.2% to 0.6182.

In the commodities markets, Gold prices steadied just below record highs in Asian trade on Monday, with focus turning largely to upcoming U.S. inflation data for more cues on when the Federal Reserve will begin cutting interest rates. Spot gold rose 0.1% to \$2,180.47 an ounce, while gold futures expiring in April rose 0.1% to \$2,187.00 an ounce. Both instruments were trading just below record highs hit on Friday.

On the other hand, Oil prices extended last week's losses on Monday on concern about slow demand in China, although lingering geopolitical risk surrounding the Middle East and Russia limited the decline. Brent futures fell 55 cents, or 0.7%, to \$81.53 a barrel at 0405 GMT, while U.S. West Texas Intermediate (WTI) dropped 57 cents, or 0.7%, to \$77.44. Both benchmarks fell last week, with Brent down 1.8% and WTI 2.5% lower on bearish Chinese data which pointed at softer demand in world's no. 1 crude importer. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0738	1.1140
GBP/USD	1.2646	1.3048
USD/ZAR	16.7795	20.7852
USD/AED	3.6524	3.6934
USD/JPY	144.97	148.97

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