



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 18TH MARCH 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged against the dollar on Friday after hitting an 11-month high the day before. The shilling was quoted at 134.00/135.00 against the dollar, the same level it closed at on Thursday. (Reuters).

The Kenya Revenue Authority (KRA) revenue assistants contributed an extra KES180.6 million in revenue collected over the last six months. "The field officers have been instrumental in identifying 20,551 unregistered taxpayers and bringing an additional 10,515 taxpayers into compliance with various tax obligations," said KRA Commissioner General Mr. Humphrey Wattanga during a meeting with the National Assembly Committee on National Cohesion and Equal Opportunity. This proactive approach has helped broaden the tax base and ensure that more individuals and businesses fulfil their tax responsibilities. KRA further adds that recognizing challenges faced by field officers in dealing with diverse taxpayers and complex tax evasion schemes, the Authority provided comprehensive training to equip them with both tax knowledge and paramilitary skills. KRA stated that the assistants' role is to facilitate online registration of trading businesses, support compliance with TIMS/eTIMS regulations, and verify taxpayer details in line with Kenya Kwanza directives. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	129.00	139.00	129.00	139.00
GBP/KES	166.64	179.64	165.84	180.54
EUR/KES	141.00	154.90	141.30	157.80
AED/KES	32.49	45.49	34.49	45.99

	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 Jan 2024 – Date (Source: Reuters)

INTERNATIONAL NEWS

The dollar rose to a more than one-week high on Friday after a mixed batch of data showed the U.S. economy remained stable with small pockets of weakness, suggesting the Federal Reserve could keep interest rates higher for longer or reduce the planned number of rate cuts this year. The dollar index, which tracks the U.S. currency against six major peers, was on pace to post a weekly gain of 0.7%, the largest since mid-January. The index was last flat at 103.43. Data on Friday showed a solid U.S. manufacturing sector, with output rebounding by 0.8% last month after a downwardly revised 1.1% decline in the prior month. Analysts at Citi, however, said in a research note that the rebound in February partly reflects the revisions lower to January output and the reversal of a "weather-related drag in January in non-durable goods manufacturing sectors." U.S. consumer sentiment and inflation expectations were little changed in March, a survey showed on Friday.

On the other hand, GBPUSD slipped 0.1% to \$1.2737. EURUSD was slightly up at \$1.0889. The European Central Bank council last week began a discussion on when to reduce its own rates, council member Olli Rehn said on Friday. The USDJPY pair had fallen as far as 146 to the dollar, especially after reports showed Japanese labor unions won large wage hikes this year. The USDCNY pair hovered around 7.1973. USDINR moved down 0.1% to 82.841.

In the commodities markets, Oil prices ticked up in Asian trade on Monday, extending gains from last week when prices rose nearly 4% on the view that supply was tightening, with the risks heightened by further attacks on Russian energy infrastructure. Brent crude oil futures for May delivery climbed 32 cents, or 0.4%, to \$85.66 a barrel

On the other hand, Gold prices fell in Asian trade on Monday, losing a key support level as traders turned averse to non-yielding assets before more signals on interest rates from a Federal Reserve meeting later in the week. Spot gold fell 0.4% to \$2,148.19 an ounce, while gold futures expiring in April slid 0.5% to \$2,151.05 an ounce. Three-month copper futures on the London Metal Exchange fell 0.3% to \$9,045 a ton on Monday, while one-month U.S. copper futures fell 0.3% to \$4.1092 a pound. Other precious metals retreated on Monday. Platinum futures fell 0.7% to \$935.50 an ounce, while silver futures slid 0.7% to \$25.198 an ounce. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0688	1.1091
GBP/USD	1.2530	1.2937
USD/ZAR	16.7668	20.7750
USD/AED	3.6518	3.6928
USD/JPY	147.13	151.15

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