



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 25<sup>TH</sup> MARCH 2024

### DOMESTIC NEWS

Kenya's shilling was unchanged on Friday, with little importer demand for dollars in the market, but was expected to gain ground in the next few days, helped by inflows from horticultural produce exporters, traders said. Commercial banks quoted the shilling at 132.00/133.00 per dollar, the same as Thursday's closing rate. (Reuters).

Kenya recorded merger and acquisition deals worth \$600.3 million (Sh79.2 billion) last year, leading its East African peers according to a new report. The country was ranked second in 2022 when it witnessed larger deal values of \$1.12 billion (Sh149 billion) to trail Sudan, which topped the charts with \$1.41 billion (Sh186.4 billion) worth of transactions. Sudan subsequently dropped out of the top ranking in 2023 when its civil war intensified. Last year, Kenya had 95 deals, including the sale of James Finlay Kenya's tea farms to Sri Lanka's LOLC Holdings which was valued at \$23.6 million (Sh3.1 billion), according to DealMakers Africa magazine. Others were the sale of a 31.25 percent stake in Lake Turkana Wind Power by Finnfund to asset manager BlackRock for an undisclosed sum. (Business Daily).

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	127.50	137.50	127.50	137.50
GBP/KES	163.08	176.08	162.28	176.98
EUR/KES	138.40	152.30	138.70	155.20
AED/KES	32.08	45.08	34.08	45.58

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 headed toward a second week of gains on Friday, after a slight rate hike in Japan gave the yen a slight reprieve and a surprise cut in Switzerland highlighted the gap in interest rate policy between the Federal Reserve and other central banks. The week marked a shift in global monetary policy as the Swiss National Bank (SNB) and central banks in developing countries cut rates or indicated their intention to do so, with June the likely moment for the European Central Bank to move. The dollar rose against all G-10 currencies except the yen, as the relatively strong U.S. economy and high interest rates kept the carry trade alive. But the Swiss rate cut, the first by a major central bank in Europe, marked a definitive shift. The dollar index, a measure of the U.S. currency against six major trading partners, rose 0.45% while the dollar weakened 0.12% against the Japanese yen at 151.44 per dollar.

On the other hand, In Europe, GBP/USD fell 0.5% to 1.2588, falling to a one-month low after the Bank of England left interest rates unchanged on Thursday, but two MPC members dropped their calls for a rate hike in the face of easing inflation. EUR/USD traded 0.4% lower to 1.0814, with eurozone activity data continuing to paint a grim picture for the region's manufacturing outlook. USD/JPY traded marginally lower at 151.59, close to its highest level in four months, with the yen nursing steep overnight losses.

In the commodities markets, gold prices advanced in Asian trade on Monday, but remained well below recent record highs as persistent strength in the dollar weighed heavily on metal markets. Anticipation of more cues on U.S. inflation and interest rates also kept investors heavily biased towards the dollar, although metal markets still saw some buying after steep losses on Friday. Spot gold rose 0.2% to \$2,169.77 an ounce, while gold futures expiring in April rose 0.5% to \$2,170.55 an ounce.

On the other hand, Oil prices rose in early Asian trading on Monday on concerns over tighter global supply brought about by escalating conflicts in the Middle East and between Russia and Ukraine, while a shrinking U.S. rig count added to upward price pressure. Brent crude futures climbed 52 cents, or 0.6%, to \$85.95 a barrel at 0359 GMT. U.S. crude futures gained 55 cents, or 0.7%, to \$81.18 per barrel. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0621	1.1022
GBP/USD	1.2409	1.2815
USD/ZAR	16.9457	20.9597
USD/AED	3.6517	3.6927
USD/JPY	149.19	153.22