



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 27<sup>TH</sup> MARCH 2024

### DOMESTIC NEWS

The Kenyan shilling edged higher against the dollar in thin trade on Tuesday, LSEG data showed. The shilling was trading at 131.00/132.00 to the U.S. currency, slightly firmer than its Monday's close of 131.50/132.50. The shilling is trading near a one-year high, up about 20% against the dollar in 2024, making it one of the world's best-performing currencies this year. (Reuters).

Kenya Airways KQNA.NR swung to an operating profit of 10.53 billion shillings (\$80.38 million) last year, it said on Tuesday. One of Africa's three biggest carriers, Kenya Airways slid into insolvency in 2018 after an expansion drive left it with hundreds of millions of dollars in debt. Last year's operating profit was the airline's first since 2017, it said, buoyed by a 53% increase in revenue to 178.5 billion shillings. "It is an indication that we are well on our path to recovery," CEO Allan Kilavuka told an investor briefing. The revenue growth was underpinned by a 35% increase in passenger numbers, he said, adding that it will increase flights on popular routes such as Nairobi to London and secure new planes to take advantage of that momentum in demand. The airline expects to receive an additional cargo freighter soon and it will receive another Boeing 737-800 passenger jet by the third quarter of this year to boost capacity. (Reuters).

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	126.50	136.50	126.50	136.50
GBP/KES	161.88	174.88	161.08	175.78
EUR/KES	137.49	151.39	137.79	154.29
AED/KES	31.81	44.81	33.81	45.31

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 U.S. dollar edged lower in European trade Tuesday, in limited volatility after the excitement of last week's central bank meetings and ahead of the release of key inflation data later in the week. At 06:10 ET (10:10 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% lower at 103.760, suffering from a minor bout of profit-taking after hitting one-month last week. The greenback saw some consolidation at the start of the week, trading in tight ranges amid a generalized calm after the central bank meetings last week and before the release of the Federal Reserve's favorite inflation gauge this Friday.

On the other hand, In Europe, EUR/USD rose 0.2% to 1.0854, helped by the minor dollar weakness, even as European Central Bank officials hinted at rate cuts, starting in the summer. German consumer sentiment is expected to stay on its path of slow recovery in April, as the consumer sentiment index published jointly by GfK and the Nuremberg Institute for Market Decisions rose slightly heading into April, to -27.4 from a revised -28.8 in March. GBP/USD rose 0.2% to 1.2656, bouncing from last week's one-month low, after Bank of England Governor Andrew Bailey told the Financial Times that rate cuts "were in play" this year. USD/JPY traded 0.1% lower at 151.29, with the pair remaining close to its highest level in four months. USD/CNY rose 0.1% to 7.2186, climbing to its highest level since mid-November and well above the psychologically important 7.2 level.

In the commodities markets, gold prices kept to a tight range in Asian trade on Wednesday, as an overnight rebound was largely stalled by strength in the dollar before more key signals on inflation and interest rates. The yellow metal tumbled from record highs over the past two weeks as dovish signals from other major central banks kept traders largely biased towards the dollar. The dollar index rose slightly in Asian trade and was in sight of a one-month high. Spot gold steadied at \$2,179.98 an ounce, while gold futures expiring in April rose marginally to \$2,178.60 an ounce.

On the other hand, Oil prices fell for a second day on Wednesday after a report that crude stockpiles in the U.S., the world's biggest oil user, surged and on signs major producers are unlikely to change their output policy at a technical meeting next week. Brent crude futures for May dropped 74 cents, or 0.9%, to \$85.51 a barrel. The May contract is set to expire on Thursday and the more actively traded June contract declined 68 cents, or 0.8%, to \$84.95. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0626	1.1029
GBP/USD	1.2413	1.2817
USD/ZAR	16.9850	20.9980
USD/AED	3.6519	3.6929
USD/JPY	149.74	153.77

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