



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 28<sup>TH</sup> MARCH 2024

### DOMESTIC NEWS

Kenya's shilling strengthened against the dollar on Wednesday, as scant foreign exchange demand was met by stronger month-end inflows. Commercial banks quoted the shilling at 131.50/132.50 per dollar, compared with Tuesday's close of 131.70/132.70. (Reuters).

The scale of domestic and external debts could have tilted in favour of the latter by January on the impact of a weak shilling and more borrowing from foreign sources. By the end of January, Kenya's public debt stock of Sh11.248 trillion was 55 percent external and 45 percent domestic. In absolute terms, external debts surpassed domestic borrowings by more than Sh1 trillion. "Domestic debt stock was Sh5,058.04 billion (31.3 percent of GDP), equivalent to USD2 31.46 billion, while the external debt stock was Sh6,189.97 billion (38.4 percent of GDP), equivalent to USD 38.51 billion. Domestic and external debt stock accounted for 45 percent and 55 percent of total debt stock, respectively," Treasury's January public debt bulletin said. The local currency, for instance, has gained 21.16 percent between the end of January to date. (Reuters).

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	127.00	137.00	127.00	137.00
GBP/KES	162.74	175.74	161.94	176.64
EUR/KES	137.97	151.87	138.27	154.77
AED/KES	31.94	44.94	33.94	45.44

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

Most Asian currencies moved little on Thursday, while the dollar steadied as traders awaited key inflation data and addresses from Federal Reserve officials for more cues on interest rates. Broader Asian currencies were also nursing steep losses this week, as uncertainty over U.S. interest rates pushed traders squarely into the dollar and other safe havens. Some hawkish Fed comments also weighed, with Governor Christopher Waller warning that the central bank had little impetus to cut interest rates early. Dollar steadies near 1-mth high with PCE data, Fed speakers on tap. The dollar index and dollar index futures moved little in Asian trade on Thursday, and were within sight of one-month highs, as traders remained largely biased towards the greenback in anticipation of more cues on interest rates.

On the other hand, the EURUSD fell 0.07% to \$1.0821. GBPUSD 0.06% to \$1. 263.USDJPY steadies under 1990 highs amid intervention watch. The USDJPY pair moved little on Thursday after surging as high as 151.97 on Wednesday- its strongest level since mid-1990.

In the commodities markets, Gold prices steadied in Asian trade on Thursday, sitting near record high as traders bought into the yellow metal ahead of more cues on U.S. inflation and interest rates. Among industrial metals, copper prices rebounded from recent losses, moving back towards 11-month peaks after reports showed that Chinese copper smelters were proposing output cuts. Spot gold steadied at \$2,195.34 an ounce, while gold futures expiring in April steadied at \$2,215.80 an ounce. Spot gold steadied at \$2,195.34 an ounce, while gold futures expiring in April steadied at \$2,215.80 an ounce

On the other hand, Oil prices edged up on Thursday, following two consecutive sessions of decline, as investors reassessed the latest data on U.S. crude oil and gasoline inventories and returned to buying mode. Brent crude futures for May were up 31 cents, or 0.4%, at \$86.40 a barrel while the more actively traded June contract rose 32 cents, or 0.4%, to \$85.73. The May contract expires on Thursday. U.S. West Texas Intermediate (WTI) crude futures for May delivery were up 39 cents, or 0.50%, to \$81.74 a barrel. Both benchmarks were on track to finish higher for a third consecutive month and were up about 4.5% from last month. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0623	1.1026
GBP/USD	1.2429	1.2832
USD/ZAR	16.9262	20.9437
USD/AED	3.6520	3.6923
USD/JPY	149.36	153.41

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