



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

**TREASURY MARKET UPDATE 04<sup>TH</sup> APRIL 2024**

**DOMESTIC NEWS**

The Kenyan shilling hit its strongest this year on Thursday to bid at 130.00 per dollar. Commercial banks quoted the shilling at 130.00/131.00 per dollar, compared with Wednesday's close of 130.50/131.50. (Reuters).

The World Bank Group has scheduled a Sh157.7 billion (\$1.2 billion) new financing to Kenya in the current financial ending June, marking a Sh39.3 billion cut compared to the Sh197 billion (\$1.5 billion) earlier anticipated by the National Treasury. A revised plan by the World Bank said the new funding would be approved on April 30. Central Bank Governor Kamau Thugge had in February revealed that Kenya expected a fresh \$ 1.5 billion (Sh197 billion) financing from the World Bank around March or April this year.

On other local news Prices of imported used cars are projected to drop by at least Sh100,000 from June amid the strengthening of the shilling, a rare relief to buyers who have for months grappled with a spike in the cost of the automobiles. Dealers say the anticipated price falls, will vary depending on the model of the car. The shilling has since February rallied against the dollar to trade at 131 units on Wednesday evening from 144.9 units on February 19, setting the stage for easing in the cost of imports. (Reuters).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	126.00	136.00	126.00	136.00
GBP/KES	161.79	174.79	160.99	175.69
EUR/KES	137.16	151.06	137.46	153.96
AED/KES	31.67	44.67	33.67	45.17

	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 traded below recent peaks on Thursday as investors waited on this week's U.S. labor data to guide the interest rate outlook, while the battered yen slid against other majors. An unexpected slowdown in U.S. services growth had knocked the dollar lower on Wednesday. For the year so far it remains the best-performing G10 currency as rate cut expectations have been dialled back dramatically over the last few months. Also on Wednesday U.S. Federal Reserve Chair Jerome Powell made balanced and familiar remarks noting policymakers will be guided by economic data. The U.S. dollar index, up 2.8% this year as market expectations for some 150 basis points of U.S. rate cuts this year have been sliced in half, was last at 104.17. It made a four-and-a-half-month high of 105.10 on Tuesday.

On the other hand, The EURUSD, up 0.6% on Wednesday, was up a further 0.1% on Thursday and back to the middle of a range it has kept for a year at \$1.0844. GBP/USD hovers around 1.2650 during the Asian session on Thursday. USD/JPY approaches the 152.00 barrier after strong US jobs data.

In the commodities markets, Oil prices rose on Thursday on concerns of lower supply as major producers are keeping output cuts in place and on signs of stronger economic growth in the U.S., the world's biggest oil consumer. Brent futures for June rose 31 cents, or 0.4%, to \$89.66 a barrel. U.S. West Texas Intermediate (WTI) futures for May rose 30 cents, or 0.4%, to \$85.73 a barrel. A meeting of top ministers from the Organization of Petroleum Exporting Countries and its allies (OPEC+) including Russia, kept oil supply policy unchanged on Wednesday and pressed some countries to boost compliance with output cuts.

On the other hand, Gold prices hit record highs in early Asian trade on Thursday, as the yellow metal benefited from weakness in the dollar amid uncertainty over U.S. interest rate cuts, while increased safe haven demand also aided prices. Persistent geopolitical tensions in the Middle East and between Russia and Ukraine, coupled with a devastating earthquake in Taiwan, spurred safe haven plays into bullion and other precious metals. Spot gold rose to a record high of \$2,302.58 an ounce, while gold futures expiring in June hit a record high of \$2,322.25 an ounce.

(Reuters).

**Indicative Cross Rates**

	Bid	Offer
EUR/USD	1.0639	1.1044
GBP/USD	1.2453	1.2859
USD/ZAR	16.6468	20.6545
USD/AED	3.6521	3.6931
USD/JPY	149.68	153.69

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