



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 05TH APRIL 2024

DOMESTIC NEWS

The Kenyan shilling hit its strongest this year on Thursday to bid at 129.50 and while traders said it was due to exporters and non-governmental organizations selling dollars, continuing a rally that began in mid-February. Commercial banks quoted the shilling at 129.50/130.50 per dollar, compared with Wednesday's close of 130.50/131.50. It is up 20.7% against the dollar this year.

The shilling last hit its present level on March 17, 2023. "It is just exporters, non-governmental organizations (selling dollars)," a trader at one commercial bank said. The trader said once the shilling firmed early in the session, it spurred those holding dollars to sell in anticipation it would gain more ground later in the day. The East African economy's currency has rallied since it successfully issued a new \$1.5 billion Eurobond in February to finance the partial repurchase of another bond maturing in June despite widespread expectations that it could struggle to access international markets. Dollar inflows for domestic bond sales in addition to remittances and proceeds from exports in sectors such as agriculture have also boosted the currency. (Reuters).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	125.00	135.00	125.00	135.00
GBP/KES	160.13	173.13	159.33	174.03
EUR/KES	135.84	149.74	136.14	152.64
AED/KES	31.40	44.40	33.40	44.90

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 fell to a one-week low Thursday, handing back some of its recent gains amid uncertainty over the path of U.S. interest rates and ahead of the release of more labor market data. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower at 103.855, retreating from the five-month high of 105.10 seen earlier this week. Fed chief Jerome Powell, in a speech to the Stanford Graduate School of Business on Wednesday, made it clear that the U.S. central bank was still studying data before starting to cut interest rates. An unexpected slowdown in U.S. services growth but stronger than expected private sector jobs growth created uncertainty on Wednesday.

On the other hand, In Europe, EUR/USD rose 0.2% to 1.0858, helped by data showing eurozone business activity expanded last month for the first time since May 2023. GBP/USD rose 0.1% to 1.2578, after activity data suggested Britain's economy was on track to exit recession when official first-quarter growth data is next published. USD/JPY edged higher at 151.75, remaining close to the levels last seen in 1990, with traders on edge over any potential government intervention in currency markets.

In the commodities markets, Oil prices extended gains on Friday and headed for a second weekly gain, supported by geopolitical tensions in Europe and the Middle East, concerns over tightening supply, and optimism about global fuel demand growth as economies improve. Brent crude climbed 40 cents, or 0.4%, to \$91.05 a barrel by 0425 GMT. U.S. West Texas Intermediate crude was at \$86.82 a barrel, up 23 cents, or 0.3%.

On the other hand, gold prices fell in Asian trade on Friday, retreating from recent record peaks in anticipation of key U.S. labor data that is likely to factor into the outlook for interest rates. A key technical indicator for spot gold prices also showed that buying momentum was running dry after a strong run-up through March and early-April. Still, the yellow metal may benefit from increased safe haven demand, especially with the prospect of worsening geopolitical conditions in the Middle East amid saber rattling between Iran and Israel. Spot gold fell 0.6% to \$2,277.10 an ounce after hitting a record high of \$2,305.31 on Thursday, while gold futures expiring in June fell 0.6% to \$2,295.50 an ounce, after hitting a record high of \$2,325.30 an ounce on Thursday. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0623	1.1027
GBP/USD	1.2418	1.2822
USD/ZAR	16.7000	20.7268
USD/AED	3.6518	3.6928
USD/JPY	149.19	153.24