



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH APRIL 2024

DOMESTIC NEWS

Kenya's shilling was stable against the dollar on Friday in a quiet trading session. Commercial banks quoted the shilling at 129.50/130.50 per dollar, the same as Thursday's closing rate. Reuters)

The shilling's strong rally against the dollar has helped lower petrol and diesel prices by up to Sh10 a litre, even as murban crude globally increased, handing Kenyans a reprieve at the pump. The energy regulator used an exchange rate of 133.54 to the dollar against the 148.02 units used last month but crude prices jumped to \$79 per barrel (Sh10,557.70) compared to last month's price of \$77.68 (Sh11,498.19). A litre of super petrol dropped to Sh193.84 from Sh199.15 in Nairobi while that of diesel fell to Sh180.38 from Sh190.38 in the capital, handing consumers a significant boost in what will also further ease inflation. A litre of kerosene dropped by Sh18.68 to Sh170.06. "The strengthening of the shilling against the dollar has led to the drop, helping undo the impact of the rising prices of crude in the global market", Daniel Kiptoo, the director-general of the Energy and Petroleum Regulatory Authority (Epra), said yesterday. The prices will be in force until May 14, when the energy regulator will announce new ones. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	125.00	135.00	125.00	135.00
GBP/KES	158.01	171.01	157.21	171.91
EUR/KES	133.60	147.50	133.90	150.40
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 US dollar has regained prominence in the FX market after hotter-than-expected CPI data forced a hawkish repricing of the world's reserve currency. The CPI print was released on Wednesday, when prices were trading above the 50% Fibonacci retracement of the major 2023 decline and above the 50 and 200-day simple moving averages. In the lead up to the print there was a notable departure between US yields and the dollar, opening up the possibility for the greenback to bridge the gap really quickly, which it did. EUR/USD powered through the 50 and 200-day SMAs, falling through the 38.2% Fib retracement of the 2023 decline, and the 1.0700. US Dollar Index (DXY) hovers around 106.00, with the 2-year and 10-year yields on US Treasury bonds standing at 4.91% and 4.55%, respectively, by the press time. The elevated US yields may offer support to bolster the US Dollar (USD).

On the other hand, GBP/USD gains ground amid a stable US Dollar (USD), trading around 1.2460 during Asian hours on Monday. EUR/USD edges up to near 1.0650 during the early Monday, recovering from a five-month low of 1.0622 reached last Friday. USDJPY continues losing ground and drops to 154.00 neighborhood.

In the commodities markets, Oil prices fell during trade on Monday, as market participants dialled back risk premiums following Iran's attack on Israel late on Saturday which the Israeli government said caused limited damage. Brent futures for June delivery fell 23 cents, or 0.2%, to \$90.22 a barrel while West Texas Intermediate (WTI) futures for May delivery were down 29 cents, or 0.3%, at \$85.37 a barrel. The attack involving more than 300 missiles and drones was the first on Israel from another country in more than three decades, raising concerns about a broader regional conflict affecting oil traffic through the Middle East.

On the other hand, Gold prices rose in Asian trade on Monday and were in sight of record highs as demand for safe havens was boosted by Iran's attack on Israel, although strength in the dollar limited major gains in the yellow metal. Markets were also waiting to see just how Israel would respond to Iran's strike, given that the attack caused limited damage, and that Tehran also said the move concluded its offensive against Israel. This helped limit some safe haven demand. Spot gold rose 0.6% to \$2,357.81 an ounce after hitting a record high of \$2,372.62 an ounce over the weekend. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0453	1.0854
GBP/USD	1.2264	1.2667
USD/ZAR	16.8190	20.8222
USD/AED	3.6520	3.6930
USD/JPY	151.83	155.84

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