



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH APRIL 2024

DOMESTIC NEWS

The Kenyan shilling weakened against the dollar on Monday, under pressure from foreign-currency demand from the fuel and manufacturing sectors. Commercial banks quoted the shilling at 131.00/132.00 per dollar, compared with Friday's close of 129.50/130.50. Reuters)

Kenyans living and working abroad sent home a total of \$1.2 billion (Sh158 billion) during the first three months of this year, marking an 18.8 percent jump from the inflows recorded during a similar period of 2023 on the back of easing inflationary pressures in developed economies. Data from the Central Bank of Kenya (CBK) shows that Kenyans abroad remitted \$412.4 million (Sh53.8 billion) back home in January—the highest in a month so far this year, followed by \$407.8 million (Sh53.2 billion) in March and \$385.9 million (Sh50.3 billion) for February. The combined amount sent back to Kenya between January and March 2024 translates to a \$190.5 million (Sh25 billion) increase from the \$1.02 billion (Sh133.6 billion) inflows that were remitted into the country during the first three months of last year. Last month, the US sustained its position as the largest source of remittances to Kenya after it hit an alltime high of \$228.4 million (Sh29.9 billion), accounting for 56 per cent of the total remitted value up from its 54 per cent contribution in both January and February. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	125.75	135.75	125.75	135.75
GBP/KES	158.60	171.60	157.80	172.50
EUR/KES	133.91	147.81	134.21	150.71
AED/KES	31.60	44.60	33.60	45.10

	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 Feb 2024 – Date (Source: Reuters)

INTERNATIONAL NEWS

Most Asian currencies weakened on Tuesday, while the dollar rose to over five-month highs amid rising geopolitical tensions between Iran and Israel and increased bets on higher-for-longer U.S. interest rates. The dollar index and dollar index futures rose 0.1% each in Asian trade, hitting their highest levels since early-November. The greenback's latest gains came as U.S. retail sales data read hotter-than-expected for March, further underpinning inflation expectations. The retail sales data came just days after stronger-than-expected inflation readings for March saw traders largely price out bets on a June rate cut by the Federal Reserve. Focus is now on an address by Fed Chair Jerome Powell, due later on Tuesday, for more cues on the path of interest rates and the U.S. economy. Fears of higher-for-longer U.S. rates, coupled with weak risk appetite amid growing tensions in the Middle East, were a key weight on Asian currencies. Safe haven demand also saw traders largely favor the dollar.

On the other hand, EURUSD fell as low as \$1.0622, the weakest since Nov. 3, and was last down 0.18% at \$1.0623. GBP/USD rose 0.3% to 1.2487, with sterling recovering slightly after recording last week its largest weekly percentage drop since mid-July. USDINR pair was close to record highs, trading well above the 83.5 level. USDJPY pair rising to a new 34-year high above 154. USDCNY pair hovering well over 7.2 even as GDP data showed the economy grew more than expected in the first quarter.

In the commodities markets, Oil prices rose on Tuesday as the Chinese economy grew faster than expected, while heightened tensions in the Middle East also kept markets on edge after Israel said it would respond to Iran's weekend missile and drone attack. Brent futures for June delivery rose 48 cents, or 0.5%, to \$90.58 a barrel by 0437 GMT. U.S. crude futures for May delivery rose 49 cents, or 0.6%, to \$85.90 a barrel.

On the other hand, Gold prices rose in Asian trade, sitting close to record highs as safe haven demand remained underpinned by concerns over worsening geopolitical tensions between Iran and Israel. Spot gold rose 0.1% to \$2,385.35 an ounce, while gold futures expiring in June rose 0.7% to a record high of \$2,401.50 an ounce. Spot gold had hit a record high of \$2,431.53 an ounce on Friday, shortly before Iran launched a drone and missile strike on Israel.

(Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0418	1.0821
GBP/USD	1.2236	1.2640
USD/ZAR	17.0093	21.0164
USD/AED	3.6520	3.6930
USD/JPY	152.33	156.38

For more details, contact our Treasury staff Mary, John, Alice & Joseph on Tel +254 20 5131311, DL +254 20 513 1354/55/51/52, Cell +254 709913351/52/54/55. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.