



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 19TH APRIL 2024

DOMESTIC NEWS

The Kenyan shilling was flat against the U.S. dollar on Thursday, LSEG data showed. The shilling was quoted at 132.00/133.00 per dollar, the same as its closing level on Wednesday. It hit a 13-month high earlier in April to trade just below 130.00 to the dollar and has since consistently traded between the levels of 130.00 and 132.00. The recent rally was partly fueled by foreign inflows into Kenyan domestic debt and a sentiment boost earlier in the year linked to the government buying back most of its \$2 billion Eurobond maturing in June. One of the best performing currencies in the world this year, the shilling is up about 18.4% against the dollar since the start of 2024, according to LSEG data. (Reuters)

Kenya has the most expensive fuel in the East African region even after the regulator cut pump prices by up to Sh10 a litre in the latest price review. A comparison by GlobalPetrolPrices.com, a site that tracks fuel prices globally shows that a litre of Super petrol is going for \$1.478 in Nairobi, with Uganda being the second costliest at \$1.46 while Tanzania has the cheapest at \$1.26. A litre of diesel is going for \$1.37 in Nairobi, followed by \$1.31 in Kampala while it is cheapest in Dar es Salaam at \$1.24. The prices in the other countries are as of April 8. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	128.00	138.00	128.00	138.00
GBP/KES	161.17	174.17	160.37	175.07
EUR/KES	136.53	150.43	136.83	153.33
AED/KES	32.21	45.21	34.21	45.71

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

The U.S. dollar edged lower in early European trade Wednesday, retreating from recent highs as traders contemplated the possibility of coordinated official intervention, but underlying tone remains positive. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower at 105.640, falling back from the five-month peak of 106.51 seen earlier in the week. The dollar has been in demand of late, as strong U.S. economic data and persistent inflation have prompted investors to drastically rethink the chances of the Federal Reserve cutting rates any time soon.

On the other hand, In Europe, EUR/USD rose 0.1% to 1.0677, adding to Wednesday's 0.5% gain, pulling away from a five-month low seen earlier in the month. GBP/USD climbed 0.2% higher to 1.2475, trading just above five-month lows after Wednesday's data U.K. inflation rose by its weakest rate in two and a half years in March. In Asia, USD/JPY traded largely flat at 154.38, after testing 34-year highs considerably above 154. Weakness in the yen also saw markets remain cautious over government intervention. Japanese consumer inflation data, due on Friday, is expected to offer more cues on the likely path for the yen. USD/CNY edged higher to 7.2389, also little moved after surging to five-month highs in recent weeks. Uncertainty over the Chinese economy kept traders biased against the yuan, as the People's Bank moved to stem further losses in the currency.

In the commodities markets, gold prices surged in Asian trade on Friday, coming close to record highs after reports of Israeli strikes on Iran ramped up demand for safe havens, especially in the face of worsening conditions in the Middle East. Spot gold rose as high as \$2,417.79 an ounce, while gold futures expiring in June rose as far as \$2,433.0 an ounce. Spot prices were just below the record highs of \$2,430.96 an ounce hit last week. Gold prices head for weekly gains on haven demand. Fears of a worsening conflict in the Middle East sparked a broad haven rush into gold, helping the yellow metal rise despite recent warnings on higher-for-longer U.S. interest rates.

On the other hand, Oil prices jumped \$3 a barrel on Friday in reaction to reports that Israeli missiles had struck a site in Iran, sparking concerns that Middle East oil supply could be disrupted. The benchmark contracts surged more than \$3 then eased slightly. Brent futures were up \$2.63, or 3%, to \$89.74 a barrel. The most active U.S. West Texas Intermediate contract climbed \$2.56, or 3.1%, to \$84.66 per barrel. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0429	1.0832
GBP/USD	1.2204	1.2611
USD/ZAR	17.2407	21.2475
USD/AED	3.6522	3.6933
USD/JPY	152.29	156.35

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.