



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 23<sup>RD</sup> APRIL 2024

### DOMESTIC NEWS

The Kenyan shilling eased slightly lower against the U.S. dollar on Monday, LSEG data showed. The shilling was quoted at 133.50/134.50 per dollar, compared to Thursday's close of 133.00/134.00. The local currency is up nearly 17.5% against the dollar since the start of the year, according to LSEG data. (Reuters)

Kenya will overtake Angola to become the fourth largest economy in sub-Saharan Africa this year, behind South Africa, Nigeria, and Ethiopia, a forecast by the International Monetary Fund (IMF) shows. The forecast sees Kenya maintaining that position until the end of 2029. Last year, Kenya's GDP was estimated to have grown to \$108.9 billion (Sh15.14 trillion, using the current exchange rate) from \$113.7 billion (Sh13.37 trillion on the existing rate then) in 2022. Ethiopia, which has extended its lead over Kenya, is projected to overtake Nigeria in two years to become the second-largest economy in the region. The size of the Ethiopian economy which was smaller than Kenya's in 2020 continued to grow and is estimated to have increased to \$159.74 billion (Sh21.165 trillion) in 2023, widening the gap between it and Kenya. Ethiopia's economy is also expected to hold steady at the second position for three years to 2029. (Business Daily).

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	129.00	139.00	129.00	139.00
GBP/KES	161.44	174.44	160.64	175.34
EUR/KES	137.86	151.76	138.16	154.66
AED/KES	32.48	45.48	34.48	45.98

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 traded largely unchanged in calm trading Monday, amid a calming of tensions in the Middle East and ahead of the release of the Federal Reserve's favorite gauge of inflation later in the week. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded flat at 106.005, retreating from the five-month peak of 106.51 seen last week. The dollar surged to new highs last week after Israel launched a missile attack on Iran, in an escalation of the conflict in the volatile Middle East. However, tensions appear to have been cooled, with Tehran downplaying Israel's retaliatory drone strike against Iran, in what appeared to be a move aimed at averting a regional war.

On the other hand, In Europe, EUR/USD rose 0.1% to 1.0656, trading near six-month lows with regional economic weakness set to result in the European Central Bank cutting interest rates before the Federal Reserve. GBP/USD climbed 0.1% lower to 1.2355, just above its lowest level since mid-November seen on Friday, after Bank of England Governor Andrew Bailey and Deputy Governor Dave Ramsden alluded last week to Britain's inflation slowing as expected. In Asia, USD/JPY traded 0.1% higher at 154.74, remaining well above the 154 level and near 34-year highs, keeping investors on guard over any potential government intervention.

In the commodities markets, gold prices fell in Asian trade on Tuesday, extending overnight losses as easing concerns over geopolitical tensions in the Middle East sapped the yellow metal of haven demand. This trade also left gold more vulnerable to recent strength in the dollar, while the prospect of higher-for-longer U.S. interest rates presented more price pressures for bullion. Spot gold slid 0.9% to \$2,305.14 an ounce, while gold futures expiring in June fell 1.1% to \$2,319.70 an ounce. Spot prices were now trading well below the record high of around \$2,430 an ounce hit earlier in April.

On the other hand, Oil prices edged higher on Tuesday, after falling in the previous session, as investors continued to assess the risk from geopolitical concerns in the Middle East. Global benchmark Brent crude oil futures traded 27 cents higher at \$87.27 a barrel by 0308 GMT, and U.S. West Texas Intermediate crude futures also gained 26 cents to \$82.16 a barrel. Both benchmarks fell 29 cents in the previous session on signs that a recent escalation of tensions between Israel and Iran had little near-term impact on oil supplies from the region. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0438	1.0842
GBP/USD	1.2133	1.2538
USD/ZAR	17.2239	21.2398
USD/AED	3.6526	3.6928
USD/JPY	152.72	156.75

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.