



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24<sup>TH</sup> APRIL 2024

### DOMESTIC NEWS

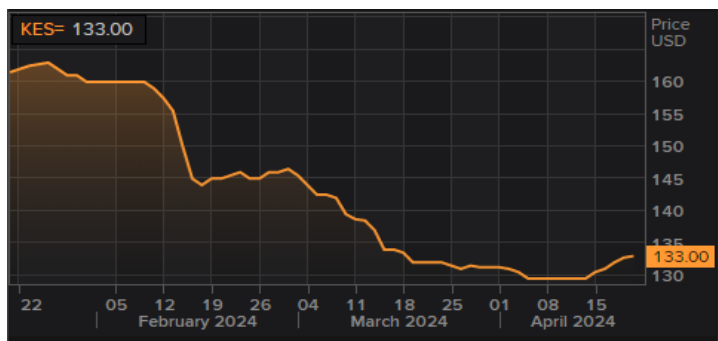
The Kenyan shilling inched lower against the U.S. dollar on Tuesday, under pressure from hard-currency demand across the board. The shilling was quoted at 133.75/134.75 per dollar, compared to Monday's close of 133.25/134.25. (Reuters)

Kenya is now seeking the assistance of the US government to navigate through its cash crisis by accessing cheap loans from the global financial markets. Nairobi is seeking sovereign loan guarantee from Washington that would provide Kenya with access to financing from international capital markets at significantly lower rates. In February, Kenya sold a new \$1.5 billion Eurobond at great cost to fund the buyback of a large portion of the \$2 billion bond, which is maturing in June 2024. However, the double-digit yield of 10.4 percent that Kenya was forced to pay on the \$1.5 billion bond was seen as an indication that it is still seen as risky by investors. That was well above the 6.875 percent that the 2024 bond had offered. The pressure on the Kenyan government's finances has forced it to try to squeeze every shilling it can from taxpayers, angering voters who had supported the current government on the premise it would lower the cost of living. (Business Daily).

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	129.50	139.50	129.50	139.50
GBP/KES	163.49	176.49	162.69	177.39
EUR/KES	139.04	152.94	139.34	155.84
AED/KES	32.62	45.62	34.62	46.12

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 steadied in early European trading Tuesday, while a bounce in European services activity data in April helped the euro. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded flat at 105.915, below the five-month peak seen last week. The easing of tensions in the Middle East, with Iranian Foreign Minister Hossein Amirabdollahian indicating that the Islamic Republic doesn't intend to retaliate against Israel for the latter's strike last week, has seen traders take profits on recent gains from the safe-haven dollar. That said, the greenback remains elevated after a run of stronger-than-expected economic data, accompanied by hawkish comments from Federal Reserve officials, have forced traders to pare back expectations of rate cuts in the summer.

On the other hand, In Europe, In Europe, EUR/USD rose 0.1% to 1.0664, helped by data showing overall business activity in the eurozone expanded at its fastest pace in nearly a year this month. GBP/USD climbed 0.1% to 1.2359, helped by data showing the fastest growth in British business activity in nearly a year this month, suggesting a rebound from last year's shallow recession. In Asia, USD/JPY edged lower to 154.81, just below the new 34-year highs above the 155 level, prompting increasing speculation over just when the Japanese government will intervene in currency markets. years in March. USD/CNY edged 0.1% higher to 7.2469, remaining close to five-month highs, above the psychologically important 7.2 level.

In the commodities markets, gold prices kept to a tight range in Asian trade on Wednesday as further losses in the yellow metal were limited by a weaker dollar, although anticipation of more cues on interest rates kept traders wary of the yellow metal. Bullion prices were nursing a sharp drop from recent record highs as easing tensions over a war between Iran and Israel sapped away at safe-haven demand for the yellow metal. Spot gold rose 0.3% to \$2,330.05 an ounce, while gold futures expiring in June steadied at \$2,343.15 an ounce. Spot prices were now trading about \$100 away from a record high hit earlier in April.

On the other hand, Oil prices were slightly higher on Wednesday after industry data showed a surprise drop in U.S. crude stocks last week, a positive sign for demand, though markets were also keeping a close eye on hostilities in the Middle East. Brent crude futures gained 5 cents, or 0.06%, to \$88.47 a barrel and U.S. West Texas Intermediate crude futures climbed 8 cents, or 0.1%, to \$83.44 a barrel. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0497	1.0901
GBP/USD	1.2245	1.2652
USD/ZAR	17.0888	21.0940
USD/AED	3.6524	3.6934
USD/JPY	152.88	156.91

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