



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH APRIL 2024

DOMESTIC NEWS

The Kenyan shilling depreciated on Thursday, as central bank dollar sales failed to satisfy manufacturing sector foreign-currency demand. The shilling was quoted at 134.50/135.50 to the U.S. dollar, compared to Wednesday's close of 134.00/135.00. The local currency surged to a high of 129.50/130.50 against the dollar early this month, fueled by the resolution of an impending Eurobond repayment, but from mid-month it has been shedding those gains in the face of unmatched dollar demand from manufacturers. (Reuters)

Sugar millers, the primary producers of denatured ethanol, have been handed a boost after the government zero-rated the product to shield them from cheaper imports. Denatured alcohol is one into which a substance has been added, making the mixture unfit for human use. It has a wide array of domestic and industrial uses including as a disinfectant, solvent, cleaning agent, fuel, and in printmaking. Zero-rated goods are products that are exempt from value-added taxation. Products and services in this category are those that are deemed vital, such as food items, sanitary products, and animal feeds. Zero-rating makes them more affordable for lower-income consumers. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	130.00	140.00	130.00	140.00
GBP/KES	164.82	177.82	164.02	178.72
EUR/KES	139.90	153.80	140.20	156.70
AED/KES	32.76	45.76	34.76	46.26

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 slipped lower Thursday, retreating from last week's five-month highs ahead of the release of key U.S. growth data, while the Japanese yen falls to 34-year lows. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% lower at 105.445, having climbed well over 106 last week. The dollar has edged lower ahead of the release of first-quarter U.S. gross domestic product data later in the session, which will show just how resilient the U.S. economy was in the beginning of 2024. The Commerce Department's reading of gross domestic product is seen slowing to 2.5% in the first three months of the year from 3.4% in the fourth quarter, a drop in growth but an indication that the U.S. remains more robust than other advanced economies despite a period of sticky inflation and elevated interest rates.

On the other hand, In Europe, EUR/USD rose 0.3% to 1.0726, gaining after the forward-looking GfK German consumer climate showed a small improvement in May, coming in at -24.2, an improvement from the upwardly revised -27.3 seen the prior month. This follows on from Wednesday's rise in Germany's Ifo Institute's survey on business conditions and expectations for April, suggesting that the eurozone's largest economy is slowly recovering. GBP/USD rose 0.5% to 1.2521, with confidence growing after British businesses recorded their fastest growth in activity in nearly a year earlier this week. In Asia, USD/JPY rose 0.2% to 155.67, with the pair climbing to their highest level since 1990, above the widely watched 155 level.

In the commodities markets, gold prices rose in Asian trade on Friday as signs of a cooling U.S. economy fed some demand for the yellow metal, although gains were limited in anticipation of more rates cut cues from key inflation data. The yellow metal was also set for steep weekly losses after tumbling from near record highs over the past five sessions, as traders largely priced out expectations for early U.S. interest rate cuts. Spot gold rose 0.2% to \$2,335.86 an ounce, while gold futures expiring in June rose 0.2% to \$2,335.68 an ounce.

On the other hand, Oil prices rose on Friday, on track to end higher this week after two straight weeks of losses, after a top U.S. official expressed optimism over economic growth and as supply concerns lingered due to conflicts in the Middle East. Brent crude futures gained 31 cents, or 0.4%, to \$89.32 a barrel, and U.S. West Texas Intermediate crude futures rose by 23 cents, or 0.3%, to \$83.80 a barrel. For the week, Brent has gained 2.3% so far, while WTI is up 0.8%. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0526	1.0930
GBP/USD	1.2304	1.2711
USD/ZAR	17.0113	21.0199
USD/AED	3.6528	3.6931
USD/JPY	153.96	158.99

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.