



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 29TH APRIL 2024

DOMESTIC NEWS

The Kenyan shilling was flat on Friday amid a shortage of liquidity on the domestic market. The shilling was quoted at 134.50/135.50 to the U.S. dollar, the same as Thursday's close. (Reuters)

Spending Experts warn that the taxman's failure to hit revenue targets presents the government with no other alternative but to reduce its projected expenditure plans for the next financial year by up to Sh350 billion; unless it implements some of its pending taxation measures, including the introduction of a motor vehicle circulation tax and the controversial withholding tax on farm produce. Kenya's projected expenditure plans for the 2024/25 financial year are expected to reduce by Sh350 billion owing to the contracting tax net flows as the Treasury prepares to present to the National Assembly the government's printed budget estimates for tabling in the House by tomorrow. The 2024 Budget Policy Statement (BPS) approved by the National Assembly in March this year, had projected Sh4.2 trillion as the expenditure plan of President William Ruto's Kenya Kwanza administration for the 2024/25 financial year. To finance the budget, the 2024 BPS had projected revenue collection for the 2024/25 financial year at Sh2.95 trillion up from the current Sh2.62, representing a 14 per cent growth. (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	165.30	178.30	164.50	179.20
EUR/KES	139.93	153.83	140.23	156.73
AED/KES	32.75	45.75	34.75	46.25

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 moved little on Monday as markets turned cautious before a Federal Reserve meeting this week. Jerome Powell's remarks in the coming week will be closely parsed by investors for any clues on just how long the Federal Reserve is willing to wait before cutting interest rates. The last time the US central bank chair spoke, he signaled that policymakers were likely to keep borrowing costs high for longer than previously anticipated, pointing to the lack of further progress on bringing inflation down, and to enduring strength in the labor market. Powell will address reporters after the Fed's rate decision on Wednesday, when the central bank is widely expected to hold borrowing costs at a more than two decade high. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower at 105.395, having climbed to 106.00 on Thursday.

On the other hand, EUR/USD rose 0.2% to 1.0746, benefiting from the dollar's weaker tone. Eurozone consumers saw inflation in the next 12 months at 3.0%, just below the 3.1% expected a month earlier, according to the ECB's Consumer Expectations Survey. GBP/USD rose 0.2% to 1.2532, benefiting from the recent dollar weakness. USD/JPY rose 0.6% to 156.58, rising past the 156 level to new 34-year highs after the Bank of Japan left interest rates unchanged after a historic hike in March. USD/CNY edged 0.1% higher to 7.2466, remaining close to five-month highs. AUD/USD rose 0.5% to 0.6552.

In the commodities markets, Gold prices moved little in Asian trade on Monday, seeing little relief from recent losses as traders continued to price in higher-for-longer U.S. interest rates before a Federal Reserve meeting later this week. Gold prices moved little in Asian trade on Monday, seeing little relief from recent losses as traders continued to price in higher-for-longer U.S. interest rates before a Federal Reserve meeting later this week. Spot gold steadied at \$2,334.66 an ounce, while gold futures expiring in June were flat around \$2,345.60 an ounce.

On the other hand, Oil prices fell in early Asian trading on Monday, erasing gains from Friday as Israel-Hamas peace talks in Cairo eased fears of a wider conflict in the Middle East and U.S. inflation data further dimmed the prospects of interest rate cuts anytime soon. Brent crude futures fell by as much as \$1, or 1.1% to \$88.50 a barrel before ticking back up to \$88.55. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0526	1.0927
GBP/USD	1.2336	1.2738
USD/ZAR	16.7528	20.7596
USD/AED	3.6528	3.6931
USD/JPY	154.84	158.84

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