



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH APRIL 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged on Monday. the shilling was quoted at 134.50/135.50 per U.S. dollar, the same as Friday's closing rate. The shilling has been on the decline since mid-month, giving back some of 2024's gains because of the return of manufacturing-sector foreign-currency demand. (Reuters)

The cost of running the national government has risen faster than tax receipts in the current financial year, going against President William Ruto's pledge to lessen the burden on taxpayers by presiding over a cost-efficient administration. The Ruto government spent Sh905.78 billion on administration, operation, and maintenance of offices, as well as salaries and wages, in nine months through March 2024, the latest Treasury data shows. The recurrent expenditure, excluding debt repayment costs, represents a growth of 11.18 percent over Sh814.71 billion in a similar period a year earlier, which partly included funding for the 2022 General Election. The growth outpaced that of tax receipts, which rose 10.17 percent in the same period to Sh1.54 trillion, according to the data that discloses inflows and outflows from the government's main account. Analysts say the rate at which the cost of running government is increasing points to growing wastage in the use of taxpayers' money amid stagnant or falling productivity levels in the public sector. (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	165.35	178.35	164.55	179.25
EUR/KES	139.63	153.53	139.93	156.43
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 fell Monday ahead of the latest Federal Reserve meeting, while the yen soared amid speculation Japanese authorities have been intervening to try and stem its seemingly relentless decline. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% lower at 105.630, having climbed to 106.00 on Thursday. The dollar has edged lower at the start of the new week, but was still stalling on strong gains of over 1% so far in April as traders have largely priced out most expectations of early rate cuts by the Fed. Friday's PCE price index data, the Fed's preferred inflation gauge, came in hotter than expected for March, pointing to rate cuts coming much later in the year than had been expected at the start of 2024. Economists expect the economy to have added 243,000 jobs in April, moderating from 303,000 in March, while the unemployment rate is expected to remain steady at 3.8%.

On the other hand, EUR/USD rose 0.3% to 1.0722, benefiting from the dollar's weaker tone, while traders digested a series of European inflation releases. GBP/USD rose 0.3% to 1.2528, benefiting from the recent dollar weakness. USD/CNY traded largely flat at 7.2462, while AUD/USD rose 0.4% to 0.6558, on speculation that a hotter-than-expected first-quarter inflation reading will attract more interest rate hikes from the Reserve Bank of Australia.

In the commodities markets, Oil edged down on Tuesday after Israel-Hamas ceasefire talks in Cairo helped quell market fears of an expanded conflict in the Middle East, while worries about the outlook for U.S. interest rates weighed on the market. Brent crude futures dipped 10 cents, or 0.11%, to \$88.30 a barrel, while U.S. West Texas Intermediate crude futures slipped 13 cents, or 0.16%, to \$82.50 a barrel. Hamas negotiators left Cairo late on Monday to consult with the group's leadership after talks with Qatari and Egyptian mediators on a response to a phased truce proposal that Israel presented on the weekend.

On the other hand, Gold prices fell in Asian trade on Tuesday, remaining pinned well below recent peaks as fears of higher-for-longer U.S. interest rates grew before a Federal Reserve meeting this week. Spot gold fell 0.4% to \$2,326.45 an ounce, while gold futures expiring in June fell 0.9% to \$2,337.30 an ounce. Spot prices were trading more than \$100 below a record high hit earlier in April. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0497	1.0900
GBP/USD	1.2332	1.2737
USD/ZAR	16.6866	20.6959
USD/AED	3.6523	3.6933
USD/JPY	154.79	158.80

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