

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 06TH MAY 2024

DOMESTIC NEWS

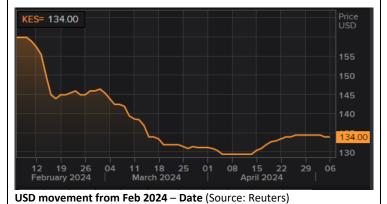
Kenya's shilling was stable against the dollar on Friday. The shilling traded at 134.50/135.50 per dollar, the same level it closed on Thursday. (Reuters)

The government wants the National Assembly to approve Sh10.6 billion for emergency response to the flooding situation in the country, caused by the ongoing heavy rains as the humanitarian crisis gets dire. The details of the allocation are contained in the Supplementary Budget II for the current- 2023/24- Financial Year presently before the National Assembly for post-facto approval. By Saturday, over 210 people had died from the flooding menace, thousands injured, others displaced from their homes and property destroyed, with no indication when the rains will subside. This comes as the Kenya Meteorological Department (KMD) warned of heavy and very heavy rainfall in many parts of the country in the coming days, as the government ramps up humanitarian interventions to minimize loss of lives. The mini budget of Sh34.92 billion, which includes Sh28.47 billion in recurrent expenditures and Sh6.45 billion in development expenditure, is a reorganization of the Sh2.37 trillion budget for the national government passed in June 2023. (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	164.78	177.78	163.98	178.68
EUR/KES	139.88	153.78	140.18	156.68
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%



INTERNATIONAL NEWS

The dollar was broadly steady on Monday as a soft U.S. jobs report boosted wagers that the Federal Reserve may still cut rates this year, while the yen lurched lower after last week's suspected intervention fueled wild ride. Data on Friday showed U.S. job growth slowed more than expected in April and the increase in annual wages fell below 4.0% for the first time in nearly three years, as signs of labor market cooling raised optimism that the U.S. central bank could engineer a "soft landing" for the economy. Markets are now pricing in 45 basis points of cuts this year, with a rate cut in November fully priced in. The Fed held interest rates steady at the conclusion of its two-day monetary policy meeting, as expected, last week but signaled it was still leaning towards eventual rate cuts, even if they may take longer to come than initially expected. The dollar index, which measures the U.S. currency against six rivals, was at 105.16, having touched a more than three-week low of 104.52 on Friday. The index is up nearly 4% this year.

On the other hand, USDJPY was broadly lower, slipping 0.63% to 153.95 per U.S. dollar. EURUSD last fetched \$1.0764, while GBPUSD was little changed at \$1.2545. The New Zealand dollar was 0.17% lower at \$0.600.

In the commodities markets, Oil futures climbed on Monday after Saudi Arabia hiked June crude prices for most regions and as the prospect of a Gaza ceasefire deal appeared slim, renewing fears the Israel-Hamas conflict could still widen in the key oil producing region. Brent crude futures gained 34 cents, or 0.4%, to \$83.30 a barrel at 0518 GMT, while U.S. West Texas Intermediate crude futures were at \$78.45 a barrel, up 34 cents, or 0.4%. Saudi Arabia raised the official selling prices (OSPs) for its crude sold to Asia, Northwest Europe and the Mediterranean in June, signaling expectations of strong demand this summer.

On the other hand, gold prices rose in Asian trade on Monday, capitalizing on a recent drop in the dollar as softer-than-expected U.S. payrolls data saw traders increase bets on eventual interest rate cuts by the Federal Reserve. But gains in gold were held back by improved risk appetite in the wake of Friday's nonfarm payrolls data, as investors pivoted into more risk-exposed assets such as stocks. Spot gold rose 0.4% to \$2,310.05 an ounce, while gold futures expiring in June rose 0.4% to \$2,318.70 an ounce (Reuters).

Indicative Cross Rates					
	Offer				
EUR/USD	1.0562	1.0967			
GBP/USD	1.2357	1.2761			
USD/ZAR	16.4845	20.4919			
USD/AED	3.6528	3.6931			
USD/JPY	151.75	155.77			

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