



DIB Bank Kenya

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TREASURY MARKET UPDATE 13TH MAY 2024

DOMESTIC NEWS

Kenya's shilling inched higher against the dollar on Thursday, as the supply of dollars from agricultural exporters and interbank flows was matched by muted demand in the fuel and manufacturing sectors. Commercial banks quoted the shilling at 130.50/131.50, compared to Wednesday's closing rate of 131.00/132.00. (Reuters)

The Treasury is seeking exemption for the Kenya Revenue Authority (KRA) to access sensitive personal data like details of properties owned and bank accounts operated by taxpayers without a court warrant in fresh efforts to catch tax cheats. Treasury Cabinet Secretary Njuguna Ndung'u has proposed to amend the Data Protection Act, 2019, through the Finance Bill, to allow the KRA unfettered access to sensitive information held by data controllers and processors, including banks, telecoms operators, utilities, schools, land registries and the National Transport and Safety Authority (NTSA). The Finance Bill, 2024 also proposes to integrate the databases of these data controllers and processors with the KRA's digital system, known as the i-Tax, in a far-reaching move that legal practitioners have described as "worrying." (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	126.00	136.00	126.00	136.00
GBP/KES	160.10	173.10	159.30	174.00
EUR/KES	136.21	150.11	136.51	153.01
AED/KES	31.67	44.67	33.67	45.17

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 dollar inched higher on Friday following a reading on U.S. consumer sentiment as investors sorted through a batch of comments from Federal Reserve officials, with the focus beginning to turn toward key inflation readings next week. The greenback pared declines and turned modestly higher after the University of Michigan's preliminary reading on consumer sentiment came in at 67.4 for May, a six-month low and below the 76.0 estimate of economists polled by Reuters. In addition, the one-year inflation expectation climbed to 3.5% from 3.2%. The dollar had weakened on Thursday after a higher than expected reading on initial jobless claims fueled expectations the labor market was loosening, adding to other recent data that indicated the overall economy was slowing.

On the other hand, the GBP/USD gained 0.1% to 1.2534, recovering from its lowest level since April 24 on Thursday, after data released earlier Friday showed that Britain's economy grew by the most in nearly three years in the first quarter of 2024. EUR/USD traded largely unchanged at 1.0783, with a light data calendar providing little impetus. USD/JPY rose 0.2% to 155.70, trading well above lows of 152 it had hit earlier in May. USD/CNY rose 0.1% to 7.2249.

In the commodities markets, Oil prices extended declines on Monday amid signs of weak fuel demand and as comments from U.S. Federal Reserve officials dampened hopes of interest rate cuts, which could slow growth and crimp fuel demand in the world's biggest economy. Brent crude futures slid 25 cents, or 0.3%, to \$82.54 a barrel by 0505 GMT, while U.S. West Texas Intermediate crude futures were at \$78.07 a barrel, down 19 cents, or 0.2%. "Oil markets shrugged off the impact of the Middle East conflicts and shifted attention to the world economic outlook again," Auckland-based independent analyst Tina Teng said.

On the other hand, Gold prices retreated in Asian trade on Monday, consolidating some recent gains as traders turned more biased towards the dollar ahead of key U.S. inflation data due later in the week. The yellow metal saw some strength last week as some signs of a cooling U.S. economy sparked speculation over eventual interest rate cuts by the Federal Reserve in 2024. Spot gold fell 0.1% to \$2,357.35 an ounce, while gold futures expiring in June fell 0.5% to \$2,363.65 an ounce.

(Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0571	1.0974
GBP/USD	1.2328	1.2733
USD/ZAR	16.4129	20.4211
USD/AED	3.6526	3.6936
USD/JPY	153.80	157.82

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