



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH MAY 2024

DOMESTIC NEWS

Kenya's shilling was stable on Monday with expectations that the currency will gain ground during the session, helped by remittances and dollar inflows from tea exporters. Commercial banks quoted the shilling at 130.50/131.50 per dollar, the same as Thursday's closing rate. Markets were closed on Friday for a public holiday. (Reuters)

Money sent home by Kenyans living and working abroad grew 23.1 percent during the first four months of this year to hit \$1.6 billion (Sh210.4 billion) compared to the \$1.3 billion (Sh170 billion at current exchange rates), buoyed by easing inflationary pressures in developed economies. Latest data from the Central Bank of Kenya (CBK) indicates that Kenyans living in diaspora remitted \$397.3 million (Sh52.2 billion) in April to add onto the cumulative \$1.2 billion (Sh157.8 billion) sent home during the first quarter of the year, with last month's inflows being the least during the review period. January recorded the highest amount so far this year at \$412.4 million (Sh54.2 billion) followed by March which posted \$407.8 million (Sh53.6 billion) while February came third at \$385.9 million (Sh50.7 billion). The combined amount sent back to Kenya between January and April 2024 translates to a \$267.5 million (Sh35.2 billion) increase from the inflows that were wired into the country during the first four months of last year. (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	160.49	173.49	159.69	174.39
EUR/KES	136.40	150.30	136.70	153.20
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 U.S. dollar drifted marginally lower Monday, consolidating after recent swings as the focus turned squarely to upcoming U.S. inflation data for more cues on interest rates. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded just 0.1% lower to 105.090, after a weekly gain last week after two successive weeks of decline. The dollar saw wild swings last week as mixed U.S. economic readings sparked questions over just when the central bank will begin cutting interest rates this year. However, this volatility is likely to retreat at the start of this new week as traders await the release of the latest U.S. inflation data, which will likely dictate near-term sentiment regarding potential rate cuts. Analysts expect Wednesday's crucial CPI report to show underlying inflation rising 3.6% on a year-over-year basis, which would be the smallest increase in over three years.

On the other hand, the GBP/USD gained 0.1% to 1.2531, retaining some strength after GDP data showed last week that Britain's economy grew by the most in nearly three years in the first quarter of 2024. EUR/USD traded 0.1% higher to 1.0784. USD/CNY rose 0.1% to 7.2339. USD/JPY rose 0.1% to 155.87.

In the commodities markets, Gold prices rose slightly in Asian trade on Tuesday, recovering marginally from steep losses in the prior session as focus remained squarely on upcoming U.S. inflation data for more cues on interest rates. While the yellow metal saw some strength last week, it remained well below record highs hit in April, with traders remaining biased towards the dollar amid fears of high-for-longer U.S. rates. Spot gold rose 0.3% to \$2,343.60 an ounce, while gold futures expiring in June rose 0.3% to \$2,349.05 an ounce. U.S. producer price index data was due later on Tuesday, while the more closely watched consumer price index reading was due on Wednesday.

On the other hand, Oil prices rose on Tuesday as the supply-demand balance looked set to tighten on operational disruptions, stronger demand and voluntary output cuts. U.S. West Texas Intermediate crude futures rose 18 cents to \$79.30 a barrel by 1224 GMT. Brent crude futures gained 19 cents, reaching \$83.55 a barrel. Oil prices settled up about 1% in the previous trading session on improving demand from the U.S. and China.

(Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0585	1.0989
GBP/USD	1.2356	1.2761
USD/ZAR	16.3826	20.3891
USD/AED	3.6529	3.6931
USD/JPY	154.47	158.52

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.