



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH MAY 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged on Wednesday, as it was expected to firm in the coming days due to dollar inflows from tea and coffee exports, remittances and non-governmental organizations. Commercial banks quoted the shilling at 130.00/131.00 per dollar, the same as Tuesday's closing rate.

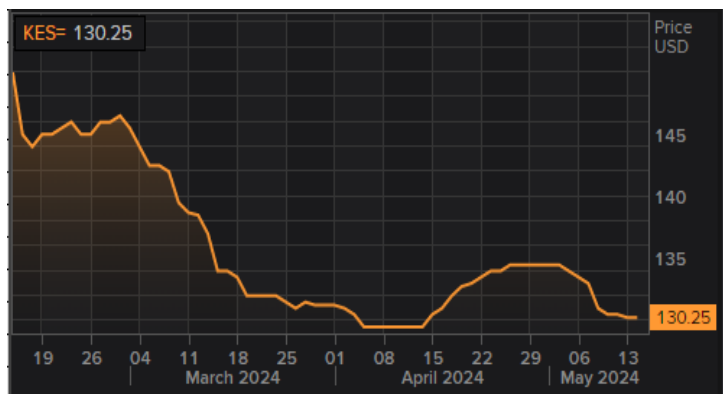
(Reuters)

The Pending Bills Verification Committee has tabled its first report indicating that the government owes contractors and suppliers Sh110 billion, a major reduction from the earlier estimate of Sh641 billion. The committee, however, noted that this does not mean the other claims were unjustified since more demands will be considered in another report expected in the next two weeks. Treasury Principal Secretary Chris Kiptoo told the National Assembly's Finance and National Planning Committee that it has received the first verification report on pending bills. "We have not factored in the 2024/25 budget provisions for payment of verified pending bills. We have received the first report that indicates that Sh110 billion could be payable," Dr Kiptoo said. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	125.50	135.50	125.50	135.50
GBP/KES	161.55	174.55	160.75	175.45
EUR/KES	137.11	151.01	137.41	153.91
AED/KES	31.53	44.53	33.53	45.03

	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 March 2024 – Date (Source: Reuters)

INTERNATIONAL NEWS

Most Asian currencies rose on Thursday after some softer U.S. consumer inflation readings pulled the dollar to a one-month low and saw traders increase bets on a September interest rate cut. But gains in some regional units were held back by a mix of soft economic data and trade tensions, especially in Japan, China and Australia. Dollar at over 1-mth low as CPI data pushes up rate cut hopes. The dollar index and dollar index futures fell 0.2% each in Asian trade, extending steep overnight losses after month-on-month consumer price index inflation and core CPI read cooler than expected for April. The readings, which were also followed by softer-than-expected retail sales data, ramped up hopes that inflation will cool further in the coming months, giving the Fed more confidence to begin cutting interest rates.

On the other hand, the EURUSD edged up 0.03% to \$1.0823 in Asian trading hours, and earlier rose to \$1.0828 for the first time since April 10. GBP/USD pair extends its upside near 1.2688 on Thursday during the early Asian session. USDJPY price traded with strong negativity yesterday to break the 155.50 level and turn to decline.

In the commodities markets, Gold prices steadied in Asian trade on Thursday after clocking strong overnight gains as some soft inflation data pulled the dollar to one-month lows and pushed up expectations of interest rate cuts. Spot gold rose 0.1% to \$2,388.84 an ounce, while gold futures expiring in June steadied at \$2,393.50 an ounce. Gold surges as CPI eases, rate cut bets increase. Gold prices were sitting on an over 1% bounce from Wednesday after data showed U.S. consumer price index inflation eased in April from March, while core CPI also fell from the prior month.

On the other hand, Oil prices rose in Asian trade on Thursday, extending gains from the prior session as a softer-than-expected U.S. consumer inflation reading brought down the dollar and ramped up hopes of interest rate cuts. A bigger-than-expected draw in U.S. inventories also fueled bets on tighter global supplies in the coming months, while markets waited to see whether an accident in Galveston, Texas, had any bearing on oil supplies. Brent oil futures expiring in July rose 0.5% to \$83.17 a barrel, while West Texas Intermediate crude futures rose 0.5% to \$78.57 a barrel

(Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0679	1.1083
GBP/USD	1.2483	1.2884
USD/ZAR	16.2728	20.2816
USD/AED	3.6526	3.6934
USD/JPY	152.18	156.21

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.