

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 28TH MAY 2024

DOMESTIC NEWS

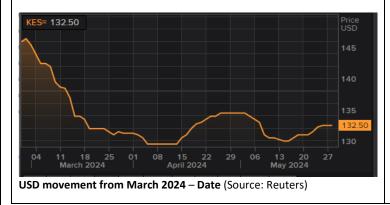
Kenya's shilling was stable on Monday, although it could post gains on the back of expected dollar inflows from the tourism sector. Commercial banks quoted the shilling at 132.50/133.50 per dollar, the same as with Friday's closing rate. (Reuters)

More than 270, 000 homes will be connected to electricity at subsidized rates through a joint plan by the governments of Kenya and Saudi Arabia and the African Development Bank (AfDB). President William Ruto made reference to the project yesterday but did not disclose when it will start or the type of funding that AfDB and the Saudi government will provide. This comes as Kenya Power moves to start the fourth phase of the Last Mile Connectivity (LMC) project where another 280, 000 homes are set to be connected to electricity. The two projects will boost government's efforts of ensuring universal access to electricity for all Kenyan homes. Kenya, supported by major development partners and financiers, started the project a decade ago in a bid to light up more homes and boost electricity sales to Kenya Power. "If we can do it in 12 months, the donors will give us more money," Energy Cabinet Secretary Davis Chirchir said yesterday during the contract signing for the project. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	128.00	138.00	128.00	138.00
GBP/KES	165.93	178.93	165.13	179.83
EUR/KES	139.74	153.64	140.04	156.54
AED/KES	32.21	45.21	34.21	45.71

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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 held steady on Monday but was set for its first monthly loss this year, as investors were focused on U.S., European and Japanese inflation data to guide the global interest rate outlook. Foreign exchange trade has been dominated by the hunt for "carry" in recent months, punishing low-yield currencies and supporting the dollar, while U.S. data has blown hot and cold and dented policymakers' confidence on the rates outlook. The dollar index, which measures the performance of the U.S. currency against six others, was last down modestly at 104.72. It is on track for a drop of 1.5% in May, the most in one month since December.

On the other hand, EURUSD, which gained 0.9% on the dollar last week, was in the middle of a range it has held for more than a year at \$1.0845. GBPUSD was testing the top side of a range it has held this year at \$1.2745. USDJPY firmed slightly, with the USDJPY pair falling 0.1%. But the pair remained close to recent highs as apparent currency market intervention by the government, at the beginning of May, provided only fleeting relief to the yen.

In the commodities markets, Oil prices climbed in Asian trade on Tuesday, extending gains from the previous session, buoyed by expectations of strong fuel demand from the U.S. during the summer, ahead of an output policy decision from OPEC+ at a June 2 meeting. Oil prices rose over 1% on Monday in muted trade owing to public holidays in Britain and the United States after a downbeat week characterized by the outlook for U.S. interest rates in the face of sticky inflation. Expectations of strong fuel demand with the start of the U.S. summer driving and vacation season provided price support, some analysts said.

On the other hand, gold prices steadied in Asian trade on Tuesday, seeing some relief from a mildly weaker dollar as traders braced for a swathe of key inflation readings this week, most notably from the U.S. But the greenback fell slightly in low-volume trade, on account of the Memorial Day holiday on Monday. Spot gold steadied at \$2,351.03 an ounce, while gold futures expiring in June steadied at \$2,352.10 an ounce Spot gold had hit a record high of about \$2,450 an ounce last week. Traders remained cautious over the yellow metal, ahead of key PCE price index data due this Friday.

(Reuters).

Indicative Cross Rates					
	Offer				
EUR/USD	1.0675	1.1080			
GBP/USD	1.2574	1.2977			
USD/ZAR	16.3722	20.3736			
USD/AED	3.6524	3.6934			
USD/JPY	154.82	158.85			

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