



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH JUNE 2024

DOMESTIC NEWS

Kenya's shilling held steady on Monday as dollar supply from non-governmental organizations and exporters of horticultural products offset demand from manufacturers. Commercial banks quoted the shilling at 128.00/129.00 per dollar, the same as Friday's closing rate.

(Reuters)

The controversial Finance Bill 2024 is back on the floor of Parliament this afternoon, where opposition MPs said they would not propose any amendments and the ruling party's majority leader promised they would be "reasonable." Today, Parliament will consider the finance committee's amendments, among others, before finally taking the bill, and the Appropriations Bill, to a vote after a Third Reading. The bills, which are the legal process that follows Budget Day, are time bound as the government's fiscal year draws to a close at the end of this month. While a parliamentary committee and the ruling party proposed some changes to the proposed increased taxation, protestors have demanded the whole bill be rejected and rethought.

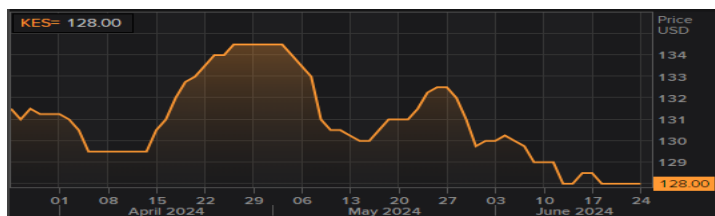
On other local news Kenya has cleared the balance US\$ 556.97 million of the US\$2 billion Eurobond that was due by 24th June 2024, and around which a lot of the fiscal policies have been geared to the last few years. The settlement was done on Friday 21st, three days ahead of the maturity date. In February, the government partially settled the sovereign bond through a US\$ 1.44 billion buyback accounting for about 72.3% of the principal amount.

(Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	123.50	133.50	123.50	133.50
GBP/KES	159.13	172.13	158.33	173.03
EUR/KES	133.08	146.98	133.38	149.88
AED/KES	30.98	43.98	32.98	44.48

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 Apr 2024 – Date (Source: Reuters)

INTERNATIONAL NEWS

Most Asian currencies firmed slightly on Tuesday as a recent rally in the dollar cooled. The spotlight this week will be on Friday's release of the U.S. personal consumption expenditures (PCE) price index, which the Federal Reserve relies on to gauge progress in getting inflation down to its 2% target. A number showing price pressures easing is likely to bolster bets on a rate cut as early as September, which futures currently price as a 70% prospect. Another focus through the week will be politics. The first U.S. presidential debate between President Joe Biden and his predecessor Donald Trump is on Thursday after U.S. markets close. The dollar index and dollar index futures fell slightly in Asian trade, extending an overnight decline as they relinquished some gains from a strong rally through last week.

On the other hand, EURUSD which has been under pressure since French President Emmanuel Macron called a snap election earlier this month, was up 0.4% at \$1.0737. GBP/USD rose 0.1% to 1.2659, with sterling stabilizing after falling close to a five-week low in the wake of the Bank of England's latest policy meeting. USDJPY pair fell 0.2% to 159.36 after rising as high as 159.9 on Monday. USD/CNY edged higher at 7.2618, trading within a very narrow range with the yuan close to its lowest in seven months, hurt by worries about weakness in the world's second-largest economy.

In the commodities markets, Oil prices were little changed on Tuesday after rising in the previous session as investors were cautious ahead of U.S. consumer price data even as expected summer demand increases supported the market. Brent futures for August settlement rose 5 cents to \$86.06 a barrel at 0440 GMT after gaining 0.9% in trading on Monday. Gasoline demand is rising, and oil and fuel stockpiles have declined as the U.S., the world's biggest oil consumer, enters the peak summer consumption period.

On the other hand, gold prices fell in Asian trade on Tuesday, sticking to a tight trading range in the low \$2,300s as recent strength in the dollar and anticipation of key inflation data kept traders averse to the yellow metal. Metal markets took limited relief from an overnight drop in the dollar, as the greenback still remained in favor amid uncertainty over U.S. interest rates. Spot gold fell 0.4% to \$2,325.56 an ounce, while gold futures fell 0.3% to \$2,337.35 an ounce. Gold stuck around \$2,300 with inflation data on tap

(Investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0543	1.0944
GBP/USD	1.2496	1.2900
USD/ZAR	16.0849	20.0943
USD/AED	3.6526	3.6936
USD/JPY	157.32	161.34

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.