



DIB Bank Kenya

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TREASURY MARKET UPDATE 27TH JUNE 2024

DOMESTIC NEWS

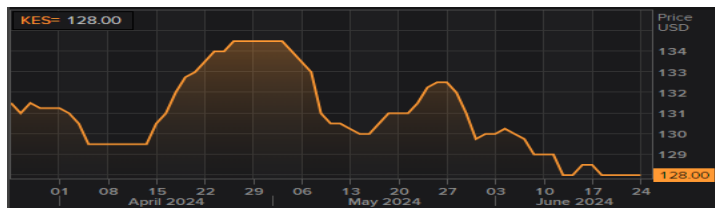
The Kenyan shilling was flat on Wednesday, as everyone waited to see how protests against tax hikes unfolded. Commercial banks quoted the shilling at 128.00/129.00 per U.S. dollar, the same level as Tuesday's closing rate. (Reuters)

The governments has shelved plans to raise Ksh 346 billion through the Finance Bill 2024 after President William Ruto said his administration would be withdrawing the controversial bill after widespread protests that have left dozens dead and hundreds injured. "It has become evident that members of the public insist on the need for us to make more concessions," President Ruto said on Tuesday, "I run a government, but I also lead people...Having reflected...and listening keenly to the people of Kenya that they want nothing to do with this Finance Bill, I concede. and the Finance Bill, 2024, is withdrawn." The government will now embark on engagement with the youth, professional bodies, religion to chat a way forward. The three arms of government, and the County governments, will reduce their budgets as governments look into ways of funding the budget which takes effect next week. Its still unclear what the legal process would be, as the bill already passed parliament and the options for presidential assent do not include an option of withdrawing it. Deputy President Rigathi Gachagua also asked young people to call off the protests to avoid any further loss of life and destruction of property, and blamed the intelligence services for allegedly not giving the President proper advice. But some demonstrators said on social media that despite Dr Ruto's climbdown they would go ahead with a rally planned for today. (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	158.33	171.33	157.53	172.23
EUR/KES	132.67	146.57	132.97	149.47
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

The U.S. dollar rose Wednesday, boosted by hawkish comments from Fed officials. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% higher at 105.480. The greenback received a boost during Tuesday's session after Fed Governor Michelle Bowman said the U.S. central bank will likely leave interest rates steady "for some time" in a bid to help corral "elevated" inflation, adding that she does not expect the central bank to cut borrowing costs in 2024. Bowman -- typically seen as one of the Fed's more hawkish voices -- flagged that it is not yet "appropriate" to lower rates, adding that she remains "willing" to raise rates even further should progress on inflation stall or reverse. Friday's PCE price index data is in the spotlight, as this is the central bank's preferred inflation gauge, and should show whether a nascent slowdown in inflation is continuing. But recent PCE readings have not been in line with expectations. The latest reading showed U.S. inflation unexpectedly tracking sideways in April.

On the other hand, EUR/USD fell 0.2% to 1.0696, after data indicated that German consumer sentiment is set to fall slightly in July, ending a four-month streak of rises. GBP/USD fell 0.1% to 1.2668. USD/JPY traded 0.2% higher to 159.93, coming close to the 160-yen level that had spurred intervention in May. USD/CNY edged 0.1% higher to 7.2667.

In the commodities markets, Gold prices fell below key levels in Asian trade on Thursday, as traders remained biased towards the dollar and wary of metals before key inflation data that is likely to factor into interest rates. Spot gold fell slightly to \$2,298.86 an ounce, while gold futures expiring in August fell 0.2% to \$2,309.35 an ounce. Strong dollar pressures gold, PCE data awaited.

On the other hand, Oil prices dipped on Thursday as a surprise build in U.S. stockpiles fuelled fears about slow demand from the world's top oil consumer, though declines were capped by worries a potential expansion of the Gaza war may disrupt Middle East supplies. Brent crude oil futures fell 28 cents, or 0.3%, to \$84.97 a barrel by 0310 GMT. U.S. West Texas Intermediate crude futures dropped 31 cents, or 0.4%, to \$80.59 per barrel. Both benchmarks had settled slightly higher on Wednesday. U.S. gasoline stocks also rose by 2.7 million barrels, compared with analysts' expectations for a 1-million-barrel draw. (Investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0494	1.0898
GBP/USD	1.2434	1.2839
USD/ZAR	16.1423	20.1499
USD/AED	3.6526	3.6936
USD/JPY	158.38	162.40