



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 08TH JULY 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged in quiet trade on Friday morning, as we saw anti-government protests easing off. Commercial banks quoted the shilling at 127.75/128.75 per U.S. dollar, the same as Thursday's closing rate. Manufacturers' demand for hard currency has fallen significantly, while supply from tea exports and diaspora remittances has remained strong. (Reuters)

The International Monetary Fund (IMF) might push back its board approval of fresh funding to Kenya following the withdrawal of the controversial Finance Bill 2024, which has prompted the multilateral lender to review its projection of the country's spending and revenue targets. The IMF Executive Board had been expected to hold a meeting on Friday, July 12 to complete the seventh Extended Credit Facility and Extended Fund Facility and the second review under the Resilience and Sustainability Facility and approve its latest disbursement to Kenya thereafter. But multiple sources close to the IMF Mission in Kenya said the meeting is now unlikely to take place against the backdrop of talks on fresh revenue-raising measures. A review yesterday of the IMF Executive Board Calendar, which runs up to July 17, showed the meeting had not been scheduled. The board calendar could, however, change as the agenda for each meeting is normally finalized a day prior.

(Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	123.25	133.25	123.25	133.25
GBP/KES	160.31	173.31	159.51	174.21
EUR/KES	133.98	147.88	134.28	150.78
AED/KES	30.92	43.92	32.92	44.42

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 retreated in early European trade Friday ahead of the key monthly jobs report. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.4% lower at 104.635, near its lowest point since mid-June. The dollar traded near two-week lows as traders returned from the U.S. Independence Day holiday ahead of the release of the widely watched monthly official jobs report, looking for more cues on when the Federal Reserve will start cutting interest rates. Economic data this week have tended to show a cooling U.S. economy, and this has heightened expectations the Fed will cut rates sometime soon. Economists are expecting the U.S. economy to have added 189,000 jobs in June after a larger than forecast gain of 272,000 the previous month.

On the other hand, GBP/USD rose 0.2% to 1.2780, just shy of the three-week high of 1.2777 seen earlier, after the opposition Labour Party won a massive majority in the U.K. general election, ending 14 years of power for the Conservative Party. EUR/USD rose 0.2% to 1.0827, gaining ahead of Sunday's second round of parliamentary elections in France, with polls suggesting the far-right National Rally is likely to fall short of a majority. USD/JPY traded 0.3% lower to 160.84, with the strengthening of the yen sparking speculation over whether the Japanese government had intervened to support the currency. USD/CNY traded marginally higher to 7.2674, with the yuan hovering around seven-month lows.

In the commodities markets, Gold prices fell slightly in Asian trade on Monday as traders awaited more cues on U.S. interest rates from a testimony by Federal Reserve Chair Jerome Powell and key inflation data due through the week. Spot gold fell 0.3% to \$2,384.47 an ounce, while gold futures expiring in August fell 0.2% to \$2,392.55 an ounce. The CME Fedwatch tool showed traders pricing in an over 72% chance the Fed will cut rates by 25 basis points in September, up from 59% seen last week.

On the other hand, Oil prices dipped on Monday after rising for four weeks, as the prospect of a ceasefire deal in Gaza eased geopolitical tensions in the Middle East, while investors assessed potential disruption to U.S. energy supplies from Tropical Storm Beryl. Brent crude futures were down 12 cents, or 0.1%, at \$86.42 a barrel. U.S. West Texas Intermediate crude was at \$82.88 a barrel, down 28 cents, or 0.3%.

(Investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0621	1.1025
GBP/USD	1.2607	1.3009
USD/ZAR	16.1787	20.1813
USD/AED	3.6528	3.6931
USD/JPY	158.62	162.63

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.