



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

**TREASURY MARKET UPDATE 20<sup>TH</sup> FEBRUARY 2025**

**DOMESTIC NEWS**

Kenya's shilling was little changed against the dollar on Wednesday, data from the London Stock Exchange Group showed. The shilling traded at 128.95/129.45 per dollar, near Tuesday's closing rate of 129.00/129.50. (Refinitiv).

Kenya's sugar imports more than doubled in January 2025, rising 129.59% to 32,517 tonnes, driven by increased demand for industrial sugar. The imports included 10,380 tonnes of mill white or brown sugar and 22,138 tonnes of white refined sugar, which Kenya does not produce. Under the EAC duty remission scheme, industrial sugar imports are strictly regulated, requiring manufacturers to be registered and gazetted. In January, seven Kenyan firms were cleared to import 20,800 tonnes for manufacturing products like soft drinks and chewing gum. Despite rising international prices, the imports stabilized local supply. Meanwhile, sugar production rose 22% to 73,019 tonnes, and sales grew 9% to 74,000 tonnes. However, local sugar prices increased, with ex-factory prices rising 5% to Sh6,569 per 50kg bag. (Business Daily).

In other news, The Sh9.4 billion World Bank-backed Kenya Off-Grid Solar Access Project (Kosap) project will connect households in 14 counties to solar power through 113 mini-grids. An additional Sh438 million will fund solar systems in 343 public institutions. Launched in 2018, the project aims to boost electricity access, economic growth, and security in remote areas. Contractors will operate the grids for seven years, with the project set to end by June 2024. (Business Daily).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	124.45	134.45	124.45	134.45
<b>GBP/KES</b>	159.09	172.09	158.29	172.99
<b>EUR/KES</b>	130.15	144.05	130.45	146.95
<b>AED/KES</b>	31.25	44.25	33.25	44.75

	Amounts > 10 million	Amounts >100,000
	KES	USD
<b>2 Weeks</b>	7.00%	1.50%
<b>1 Month</b>	7.25%	2.25%
<b>3 Months</b>	7.50%	2.75%
<b>6 Months</b>	7.75%	3.00%
<b>1 year</b>	8.00%	3.50%



**USD movement from December 2024 – Date** (Source: Reuters)

**INTERNATIONAL NEWS**

The U.S. dollar held steady on Wednesday, with the dollar index rising 0.1% to 107.21 as traders evaluated geopolitical tensions and economic policies. Recent U.S.-Russia talks on Ukraine peace efforts have raised concerns due to Ukraine's absence, though future negotiations may include Kyiv. Meanwhile, President Trump announced a 25% tariff on imported cars and additional levies on semiconductors and pharmaceuticals, raising fears of inflation and potential Federal Reserve policy shifts. Markets remain cautious, with the Japanese yen strengthening as a safe-haven asset. Investors are awaiting Fed insights on the potential economic impact.

GBP/USD holds ground after registering losses in the previous two successive days, hovering around 1.2590 during the Asian session on Thursday. However, the pair faces pressure as concerns over tariffs from US President Donald Trump lent support to the US Dollar.

The EUR/USD pair rebounded to 1.0425 during early European trading on Thursday, supported by a weaker U.S. dollar. However, gains may be limited due to concerns over Trump's tariff threats and geopolitical tensions, particularly regarding U.S.-Russia peace talks on Ukraine. Investors remain cautious about potential trade disruptions and their market impact.

The Japanese yen appreciated 0.6% against the U.S. dollar, with the USD/JPY pair trading at 150.52 yen, as investors sought safe-haven assets amid potential trade disruptions.

The Chinese yuan's onshore pair USD/CNY was largely unchanged, while the offshore pair USD/CNH inched 0.2% lower.

In the commodities markets, Oil prices dipped on Thursday as an increase in U.S. crude stockpiles and tariff concerns dampened market sentiment, erasing prior gains driven by fears of supply disruptions in Russia. Brent crude slipped 0.29% to \$75.82 per barrel. WTI crude dropped 0.42% to \$71.95, with the April contract at \$71.84. Investors remain wary amid ongoing economic and geopolitical uncertainties.

On the other hand, Gold remains steady at 2,930 USD per troy ounce on Wednesday, hovering near last week's record high of 2,940 USD. Ongoing concerns over US trade tariffs and global uncertainties continue to drive demand for safe-haven assets. Declining U.S. bond yields are weakening the dollar, providing additional support to the precious metal, though the Fed's hawkish stance could limit gains. (investing.com).

**Indicative Cross Rates**

	Bid	Offer
<b>EUR/USD</b>	1.0231	1.0632
<b>GBP/USD</b>	1.2396	1.2803
<b>USD/ZAR</b>	16.4920	20.4995
<b>USD/AED</b>	3.6527	3.6932
<b>USD/JPY</b>	148.19	152.19

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. The rates quoted includes the Banks mark up. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.