



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH FEBRUARY 2025

DOMESTIC NEWS

Kenya's shilling rebounded against the dollar on Wednesday after losing ground slightly in the previous session, data from the London Stock Exchange Group showed. The shilling traded at 129.05/129.55 per U.S. dollar, compared to Tuesday's closing rate of 129.20/129.70. (Refinitiv).

Kenya's coffee exports rose in 2024, reaching 50,000 tonnes, up from 47,861 tonnes in 2023, driven by higher shipments to key markets. Export earnings increased to 38.4 billion shillings (\$296.8 million) from \$251 million the previous year. Most exports occurred in the second and third quarters, with shipments of 15,903 and 17,017 tonnes, respectively. The government aims to double annual coffee output through reforms such as prompt farmer payments, subsidized fertilizer, and affordable loans. Major buyers include Belgium, Germany, the U.S., and South Korea, with South Africa leading in Africa. (Capital News).

Meanwhile, Kenya's 2025/26 budget of KSh 4.336 trillion increases funding for key sectors by KSh 405 billion over three years. Security, Education, Health, Energy, and Agriculture will see significant budget growth, with education receiving KSh 847 billion and security KSh 391 billion by 2027/28. The government projects 5.3% economic growth in 2025 while aiming to reduce the fiscal deficit to 4.3% of GDP. Revenue is expected to reach KSh 2.835 trillion. (kenyanwallstreet.com).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.40	134.40	124.40	134.40
GBP/KES	159.74	172.74	158.94	173.64
EUR/KES	130.50	144.40	130.80	147.30
AED/KES	31.23	44.23	33.23	44.73

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



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

INTERNATIONAL NEWS

The U.S. dollar rebounded on Wednesday, gaining 0.2% after hitting an 11-week low, as Treasury yields recovered. Weak consumer confidence data had pressured the dollar earlier, fueling expectations of Federal Reserve rate cuts amid concerns over Trump's tariffs and slowing private consumption. However, the greenback found support after the U.S. House passed a \$4.5 trillion tax cut and border security package. Analysts note that while tax policies may temporarily support the dollar, trade concerns and Fed policy uncertainty remain key market drivers.

EUR/USD fell 0.20% to around 1.0465 during Thursday's Asian session, pressured by Trump's 25% tariff threat on the EU and renewed Fed rate-cut bets.

GBP/USD declined to around 1.2660 in Thursday's Asian session after two days of gains, as a stronger U.S. dollar and rising Treasury yields pressured the pair. The RSI (Relative Strength Index) above 50 suggests sellers lack full control. The 100-day SMA (Simple Moving Average) at 1.2650 serves as a key pivot—if GBP/USD holds above this level, buyers may target resistance at 1.2700-1.2710 and 1.2750.

The Japanese yen's USD/JPY pair edged up 0.2%, while the Singapore dollar's USD/SGD rose 0.3%.

The Chinese yuan's offshore pair USD/CNH gained 0.3%, while the onshore pair USD/CNY ticked up 0.1%.

Oil prices rose slightly on Thursday after President Trump revoked Chevron's license to operate in Venezuela, potentially reducing crude supply. Brent crude climbed 0.3% to \$72.72 per barrel, while WTI rose 0.2% to \$68.78. This comes after both benchmarks hit two-month lows due to rising U.S. fuel inventories and hopes for a Russia-Ukraine peace deal. Traders also reacted to Trump's plan to refill the Strategic Petroleum Reserve. Meanwhile, Goldman Sachs expects Brent prices to remain between \$70-85, supporting U.S. supply growth. (investing.com)

In other commodities news, gold prices slipped as higher U.S. bond yields bolstered the dollar, though concerns over Trump's tariffs and expectations of Fed rate cuts provide support. The bullish outlook remains intact as long as gold stays above the 21-day SMA at \$2,890 and the RSI holds above 50. A break past \$2,930 could pave the way for a retest of the record high at \$2,956, with additional resistance at \$2,970 and the \$3,000 mark. Conversely, a drop below \$2,890 may push prices toward \$2,877, with \$2,850 serving as a critical support level. (fxstreet.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0287	1.0688
GBP/USD	1.2434	1.2839
USD/ZAR	16.4271	20.4315
USD/AED	3.6525	3.6931
USD/JPY	147.51	151.55

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