



DIB Bank Kenya

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TREASURY MARKET UPDATE 12TH MARCH 2025

DOMESTIC NEWS

The Kenyan shilling remained stable against the dollar on Tuesday, trading at 129.00/129.50 compared to Monday's close of 128.90/129.40. (Refinitiv).

Kenya's public debt surged to Sh11.02 trillion (65.7% of GDP) as of January 2025, exceeding the 55% (+5%) target for 2028, after the government borrowed Sh440 billion in seven months. The debt comprises Sh5.09 trillion in external debt (mainly from multilateral lenders like the World Bank and bilateral creditors like China) and Sh5.93 trillion in domestic debt (largely Treasury bonds). A Parliamentary Committee has raised concerns over the soaring debt service obligations, projected to hit Sh2.47 trillion by June 2027, limiting government spending. To address this, the committee recommended quarterly debt reports, automation of debt service payments by May 31, 2025, and full integration of financial management systems to enhance transparency. Analysts warn that implementing these reforms is crucial for fiscal stability and preventing excessive debt from stalling economic growth. (Standard News)

On other local news, The RBA seeks KRA's help to recover Sh47.16 billion in unremitted pension deductions as of June 2024. A proposed amendment would empower KRA to collect these funds, mainly owed by public universities, county governments, and the National Treasury. Employers must pay within 30 days or face penalties, while those unable to pay must report within 14 days. Recovered funds will be remitted to pension schemes within 30 days. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.15	134.15	124.15	134.15
GBP/KES	162.89	175.89	162.09	176.79
EUR/KES	135.87	149.77	136.17	152.67
AED/KES	31.16	44.16	33.16	44.66

Amounts > 10 million		Amounts >100,000	
KES		USD	
2 Weeks	6.50%	1.50%	
1 Month	6.75%	2.25%	
3 Months	7.00%	2.75%	
6 Months	7.25%	3.00%	
1 year	7.50%	3.50%	



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

INTERNATIONAL NEWS

Asian currencies remained largely stable on Wednesday as the dollar recovered slightly, rising 0.2% after hitting a five-month low. Traders await key U.S. CPI data, which could provide insights into inflation and interest rates. Risk sentiment improved after President Trump backed down on higher tariffs for Canada, though his 25% tariffs on steel and aluminum took effect. Concerns over a U.S. recession persist amid weak economic data and uncertainty over Trump's shifting tariff policies. Markets fear higher inflation could delay Federal Reserve rate cuts, with CPI data set to reinforce these concerns.

The EUR/USD pair rose 0.7% to \$1.0915, supported by Germany's coalition talks on military and infrastructure spending. The euro gained further following Trump's decision to impose additional 25% tariffs on Canadian steel and aluminum, raising total duties to 50%. This move, which took effect on Wednesday, has stirred global trade tensions, influencing broader market reactions beyond the metals. GBP/USD edged lower to 1.2935, erasing part of its recent gains, as traders awaited U.S. CPI data for further direction. USD/JPY climbed above 148.00, recovering from a five-month low, though BoJ-Fed policy divergence and risk-off sentiment may limit gains. The PBOC set the USD/CNY rate at 7.1696, slightly stronger than the previous fix. Meanwhile, AUD/USD dipped below 0.6300, pressured by trade war concerns and investor caution ahead of U.S. inflation data.

Oil prices edged up on Wednesday, supported by a weaker dollar, which made crude cheaper for buyers using other currencies. Brent crude rose 0.7% to \$70.07, while WTI gained 0.8% to \$66.77. Despite economic slowdown fears and concerns over tariffs, strong near-term demand kept oil prices steady. Analysts noted that while the dollar's decline helped offset bearish economic concerns, the effect may be short-lived. Meanwhile, U.S. stock markets declined, reflecting investor unease over tariffs and weakening consumer sentiment.

On other commodities news gold prices rose in Asian trading as the dollar weakened near a four-month low, driven by U.S. recession fears linked to Trump's trade policies. Spot gold increased 0.4% to \$2,900.17 per ounce, while gold futures gained 0.2% to \$2,904.50. Investors are cautiously awaiting U.S. CPI data, which could influence the Federal Reserve's policy decisions. Trump's 25% tariffs on Mexico, Canada, and China have raised concerns over economic slowdowns and inflation, while a Reuters poll highlighted growing economic risks for North America amid trade uncertainty.

(investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0701	1.1103
GBP/USD	1.2725	1.3130
USD/ZAR	16.2700	20.2886
USD/AED	3.6523	3.6933
USD/JPY	146.19	150.21

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.