



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND MARCH 2024

DOMESTIC NEWS

Kenya's shilling was stable on Thursday, with dollar inflows largely matching importer demand. Commercial banks quoted the shilling at 132.00/133.00 per dollar, the same as Wednesday's closing rate. (Reuters).

The energy regulator is pushing for a dedicated team of State prosecutors to handle crimes in the sector as it moves to tighten the noose on suspects involved in various offences in the industry. Energy and Petroleum Authority (Epra) Director General, Daniel Kiptoo, last month wrote to the Director of Public Prosecutions (DPP) asking for five officers to be seconded to Epra. Mr Kiptoo said suspects in the energy sector have had an easy way in courts due to a lack of prosecutors dedicated to the segment. The letter came weeks after three people were killed and scores of others injured in a gas explosion in an illegal refilling facility in Nairobi's Embakasi area. Crimes involving petroleum products such as illegal refilling of cooking gas and siphoning of fuel have led to deaths and massive destruction of property, putting Epra in the spotlight.

(Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	127.50	137.50	127.50	137.50
GBP/KES	163.53	176.53	162.73	177.43
EUR/KES	138.67	152.57	138.97	155.47
AED/KES	32.08	45.08	34.08	45.58

	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 Jan 2024 – Date (Source: Reuters)

INTERNATIONAL NEWS

Most Asian currencies fell sharply on Friday, coming under pressure from a rebound in the dollar as an unexpected interest rate cut by the Swiss National Bank pushed currency traders squarely into the greenback. The dollar surged to a three-week high in Asian trade, extending a strong rebound from Thursday as the SNB rate cut saw traders largely look past signals on interest rate cuts from the Federal Reserve. The dollar index and dollar index futures rose 0.8% and 0.2%, respectively in Asian trade on Thursday. Outsized gains in the dollar index signaled more immediate demand for the greenback. A positive outlook for the U.S. economy also favored flows into the dollar. The Fed sharply upgraded its outlook for growth in 2024. While the central bank is still expected to begin cutting interest rates by June, its relative hawkishness, in comparison to other central banks, is expected to benefit the dollar.

On the other hand, GBPUSD slid after the Bank of England (BoE) kept its benchmark interest rate on hold as expected. GBP was last 0.99% lower at \$1.266. EURUSD climbed against the Swiss franc to 0.979, on track to its biggest single day since March 2023. It was last up 0.70% to 0.9753. USDJPY hovered around 151.56- close to its highest level in four months. USDCNY pair shot up 0.4% on Friday, crossing the 7.2 level for the first time since November 2023.

In the commodities markets, Gold prices fell in Asian trade on Friday, retreating further from record highs hit this week as a sharp uptick in the dollar, following a surprise interest rate cut by the Swiss National Bank, pressured metal markets. Spot gold fell 0.4% to \$2,173.62 an ounce, while gold futures expiring in April fell nearly 0.5% to \$2,174.90 an ounce.

On the other hand, Oil prices slipped on Friday on the possibility of a nearing Gaza ceasefire that could ease geopolitical concerns in the Middle East, while a stronger dollar and faltering U.S. gasoline demand also weighed on prices. Brent crude futures fell 42 cents, or 0.5%, to \$85.36 a barrel by 0203 GMT. U.S. crude futures shed 40 cents, or 0.5%, to \$80.67 per barrel. Oil was trading lower on reports of a U.N. draft resolution calling for a ceasefire in Gaza and as another round of profit-taking kicked in, IG analyst Tony Sycamore said in a note. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0634	1.1039
GBP/USD	1.2435	1.2839
USD/ZAR	16.9235	20.9243
USD/AED	3.6520	3.6930
USD/JPY	149.51	153.54

For more details, contact our Treasury staff Mary, John & Joseph on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/52/54. 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.