

A subsidiary of Dubal Islamic Bank PJSC TREASURY MARKET UPDATE 03RD SEPTEMBER 2024

DOMESTIC NEWS

Kenya's shilling was stable on Monday, with dollar supply from the tourism sector matching general importer demand. Commercial banks quoted the shilling at 128.25/129.25 per dollar, the same as Friday's closing rate. (Reuters).

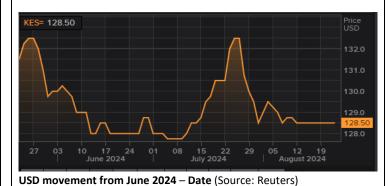
The Nairobi Securities Exchange (NSE) plans to roll out a new trading platform by December 31, 2024, which will allow small investors to purchase only a percentage or share of stock instead of paying the full price. In the new scheme known as fractional investment, an investor would be allowed to choose several stocks of listed companies, rather than putting all of their money into just one company stock to purchase a certain amount of whole shares.

In other local news, a government-backed study report has revealed that motorists paid an extra Sh2.78 billion in pump prices last year due to delays in discharging imported fuel from ships at the Port of Mombasa. The delays have been attributed to inefficiencies at the port, which is Kenya's main point of entry for imported goods into the country. This is excessive compared to any efficiently run import facility. The study report revealed that demurrage costs for fuel shot up to \$29.1 million (Sh3.7 billion) in 2023, marking a steep jump from just \$7.1 million (Sh914 million) in the previous year. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	123.75	133.75	123.75	133.75
GBP/KES	165.00	178.00	164.20	178.90
EUR/KES	137.43	151.33	137.73	154.23
AED/KES	31.05	44.05	33.05	44.55

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%



INTERNATIONAL NEWS

The U.S. dollar edged slightly lower Monday in thin holiday-affected trading, with traders awaiting key labor market data for clues of potential Federal Reserve interest rate cuts. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower to 101.577, after previously hitting 101.79, a level not seen since Aug. 20. Activity is muted Monday given the U.S. is on holiday celebrating Labor Day. The dollar rebounded last week, having sold off around 5% since the start of July, and now attention turns to the U.S. jobs report at the end of this week. U.S. payrolls, due on Friday, will be crucial after Federal Reserve chair Jerome Powell pivoted from a battle against inflation to a readiness to protect against job losses, suggesting the likelihood of a rate cut of 25 basis points later this month.

On the other hand, In Europe, EUR/USD traded 0.2% higher to 1.1067, firming after earlier hitting 1.1043, its lowest since Aug. 19. Eurozone manufacturing activity remained in contraction territory in August, with the final eurozone manufacturing Purchasing Managers' Index, compiled by S&P Global, coming in at 45.8 in August, firmly below the 50-mark separating growth from contraction. GBP/USD gained 0.1% to 1.3138, with sterling remaining in demand, boosted by expectations that the Bank of England will keep interest rates high for longer than in the United States and the eurozone. In Asia, USD/JPY rose 0.4% to 146.69, with the yen retreating slightly after Japan's factory activity contracted again in August, a private-sector survey showed earlier Monday.

In the commodities markets, gold prices fell in early trade Tuesday as traders continue to discuss the prospect of a rate cut by the Federal Reserve in September. Spot gold prices were down 0.24% at \$2,425.55. The precious metal had a strong performance this past month, with prices reaching a record peak of \$2,531.60 on August 20. However, the market's attention is now shifting towards the upcoming U.S. non-farm payroll report expected Friday.

On the other hand, U.S. crude oil futures fell Tuesday after recording three consecutive weeks of losses. Oil prices have been under pressure lately, influenced by concerns over a potential slowdown in demand from China, a major importer, coupled with the possibility of increased supply from leading producers. Crude oil futures were down 0.18% to \$73.91, while the Brent contract fell 0.36% to \$77.25. (Reuters).

Indicative Cross Rates				
Bid		Offer		
EUR/USD	1.0856	1.1256		
GBP/USD	1.2923	1.3324		
USD/ZAR	15.8596	19.8754		
USD/AED	3.6527	3.6932		
USD/JPY	144.18	148.19		

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