



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 05<sup>TH</sup> SEPTEMBER 2024

### DOMESTIC NEWS

Kenya's shilling firmed slightly against the dollar on Wednesday. The shilling traded at 128.25/129.25 to the U.S. currency, compared with Tuesday's closing rate of 128.50/129.50. (Reuters).

Kenyans will pay an extra Sh4.45 per litre of fuel if a proposal in a study commissioned by the energy regulator is adopted, adding to the cost-of-living pressure. The study by consultants, Kurrent Technologies and Channoil Consulting Ltd, is proposing an increase in margins offered to oil marketing companies be increased to Sh12.21 per litre from the current Sh8.19 per litre for retailers and the wholesale margin to be increased from Sh4.17 to Sh4.6. The margins cater for oil dealers' costs and profits and are part of items that make up the monthly review of pump prices.

In other local news, Kenya has formally joined the multilateral Asian Infrastructure Investment Bank (AIIB) as a fully paid member, which will see it access concessional funding for infrastructure, climate change efforts, connectivity, regional cooperation and technology-enabled projects and programmes. The Asian Infrastructure Investment Bank is a multilateral development institution with 109 members and \$100 billion capitalization. President Ruto disclosed the development on Tuesday as he met AIIB President and Board of Directors Chairman Jin Liqun and other officials at the bank's headquarters in Beijing, China. (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	165.30	178.30	164.50	179.20
EUR/KES	137.74	151.64	138.04	154.54
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%



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

### INTERNATIONAL NEWS

The dollar slipped against most major currencies on Wednesday after July U.S. job openings data signaled a softening labor market, tilting the odds further in favor of larger interest rate cuts by the Federal Reserve. Traders boosted bets that the Fed will deliver a half-a-percentage-point reduction at its next meeting, following news that job openings in July fell to the lowest level in 3-1/2 years. Friday's U.S. payrolls report could offer further clues on the timing and pace of Fed rate cuts. The dollar index, which measures the U.S. currency's strength against six major peers, was down 0.3% at 101.4. U.S. stocks remained weak after Tuesday's sharp sell-off sparked by concerns about the U.S. economy and tech sector valuations. Soft U.S. manufacturing data released on Tuesday helped fan worries about a hard landing for the world's biggest economy.

On the other hand, EURUSD was 0.2% higher at \$1.107075, recovering from early marginal declines. Euro zone business activity received a boost from France hosting the Olympic Games last month but the malaise in the bloc is likely to return once the Paralympics wraps up as demand remains weak, a survey showed. GBPUSD rose 0.2% to \$1.3138 after weakening to a low of \$1.3101 overnight.

In the commodities markets, Oil prices edged up after plunging to multi-month lows previously as major producers may delay an output increase planned for next month and U.S. inventories fell, though the gains were limited by persistent demand concerns. Brent crude futures for November rose 15 cents, or 0.1%, to \$72.85 at 0402 GMT after dropping 1.4% in the previous session to their lowest close since June 27, 2023. U.S. West Texas Intermediate crude futures for October were up 15 cents, or 0.22%, to \$69.35 after dropping 1.6% on Wednesday to the lowest settlement since Dec. 11.

On the other hand, Gold prices remained steady on Tuesday, with market focus shifting to upcoming U.S. jobs data, which could offer insights into the extent of the Federal Reserve's expected rate cuts this month. Spot gold was priced at \$2,498.87 per ounce by 1111 GMT, after hitting a more than one-week low in the previous session due to a stronger dollar. U.S. gold futures edged up 0.1% to \$2,530.70. According to analysts at Quantitative Commodity Research, the gold market is currently torn between assessing the depth of the Fed's potential rate cuts in September and anticipating further cuts in subsequent meetings. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0879	1.1280
GBP/USD	1.2950	1.3351
USD/ZAR	15.8769	19.8848
USD/AED	3.6527	3.6932
USD/JPY	141.44	145.49

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.