



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 09TH SEPTEMBER 2024

DOMESTIC NEWS

Kenya's shilling slipped slightly on Friday, but it was expected to strengthen later in the session due to dollar inflows from remittances and the tourism sector. Commercial banks quoted the shilling at 128.50/129.50 per dollar, compared with Thursday's closing rate of 128.25/129.25. (Reuters).

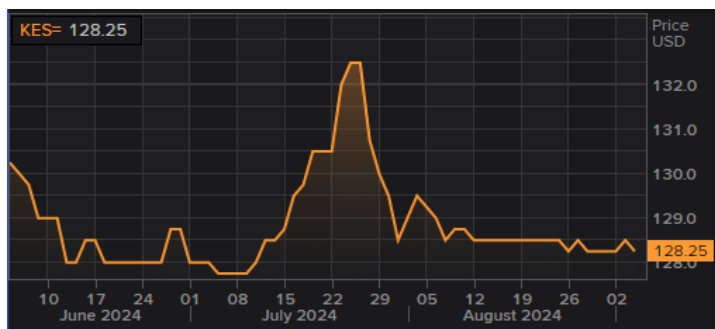
China stopped short of providing the debt relief sought by many African countries this week, but pledged 360 billion yuan (\$50.7 billion) over three years in credit lines and investments. The Forum for China-Africa Cooperation (Focac) launched in 2000, took on an enhanced role after the 2013 inception of President Xi Jinping's Belt and Road Initiative (BRI), which aims to recreate the ancient Silk Road for the world's second largest economy and biggest bilateral lender to Africa.

In other local news, Nairobi Securities Exchange (NSE)-listed firms will now be required to submit to the regulator a forward-looking calendar of corporate announcements, including release of financial statements and dividend payment dates. The Capital Markets Authority (CMA) and the NSE have issued a joint circular to all listed firms. The aim is to provide investors with a clearer view of forthcoming corporate actions, enabling them to make more informed decisions. (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	164.89	177.89	164.09	178.79
EUR/KES	137.67	151.57	137.97	154.47
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 US dollar has had a difficult summer, dropping substantially during the month of August, but JPMorgan thinks those predicting the demise of the U.S. currency are getting ahead of themselves. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% lower to 101.127, having lost 1.6% over the course of the last month. The dollar's role in global finance and its economic and financial stability implications are supported by deep and liquid capital markets, rule of law and predictable legal systems, commitment to a free-floating regime, and smooth functioning of the financial system for USD liquidity and institutional transparency.

On the other hand, EUR/USD is falling back toward 1.1050 in the early European morning on Monday. Renewed US Dollar buying amid a cautious market mood fuels a fresh leg down in the pair. A potential ECB rate cut this week could also keep the pair on the back foot. GBP/USD has come under renewed selling pressure, approaching 1.3100 in European trading on Monday. The pair is weighed down by resurgent demand for the US Dollar, as traders stay cautious due to US slowdown concerns and ahead of the key inflation data later this week. USD/JPY is holding recovery gains below 143.00, positively kicking off the new week. Friday's late US Dollar rebound and Japan's Q2 GDP downward revision support the pair, though the divergent BoJ-Fed policy expectations should cap its upside. All eyes remain on US CPI data due later this week.

In the commodities markets, Oil futures jumped by a dollar in early trading on Monday as a potential hurricane system approached the U.S. Gulf Coast, and as markets recovered from a selloff following weaker-than-expected U.S. jobs data on Friday. West Texas Intermediate crude futures rose \$1, or 1.48%, to \$68.67 a barrel. Brent crude futures were up 99 cents, or 1.39%, at \$72.05 a barrel.

On the other hand, gold price is trading on the front foot just shy of the \$2,500 threshold early Monday, consolidating Friday's late rebound. Gold price sticks to its familiar range, as traders brace for the US Consumer Price Index data due later this week to confirm the size of the Federal Reserve interest rate cut next week. Heading into the new week, the short-term technical outlook continues to remain constructive so long as gold price holds above the 21-day Simple Moving Average (SMA), now at \$2,498. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0870	1.1271
GBP/USD	1.2915	1.3316
USD/ZAR	15.8799	19.8842
USD/AED	3.6524	3.6934
USD/JPY	140.83	144.84

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.