



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH SEPTEMBER 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged against the U.S. dollar on Wednesday, LSEG data showed, extending a recent period of stability that has lasted about a month. The shilling was quoted at 128.50/129.50 to the dollar, the same as Tuesday's closing level. The currency rallied strongly in the first half of 2024 as concerns eased that the East African country would default on a \$2 billion Eurobond that matured in June, but it lost momentum from April onwards. (Reuters).

Official data showed that the value of goods ordered from China into Kenya rebounded in the six months that ended June 2024 to grow at the fastest pace in three years, partly reflecting higher orders of machinery and transportation equipment, including railway locomotives. According to provisional imports data from Kenya Bureau of Statistics, spending on imports from China jumped 25.56 percent in the review period to Sh257.70 billion, marking a turnaround from a 9.96 percent fall to Sh205.24 billion a year earlier.

In other local news, the strike by airport workers across the country yesterday significantly rattled private sector businesses relying on the aviation industry, leaving them counting losses running into millions of shillings. Associations of fresh produce exporters and travel agents told the Business Daily that their operations had been brought to a standstill by the disruption at the airports, causing unprecedented losses. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.00	134.00	124.00	134.00
GBP/KES	164.34	177.34	163.54	178.24
EUR/KES	137.22	151.12	137.52	154.02
AED/KES	31.12	44.12	33.12	44.62

	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

Most Asian currencies moved in a flat-to-low range on Thursday, while the dollar firmed as a strong reading on U.S. consumer inflation dashed hopes that the Federal Reserve will cut interest rates by a wide margin. Soft inflation data from Japan weighed on the yen, pulling the currency further off its strongest levels in eight months. But the yen remained relatively strong as hawkish comments from the Bank of Japan continue to trickle in. Barring the yen, most regional currencies were also nursing steep losses from the past week, as heightened fears of a U.S. recession battered risk-driven markets. The dollar index and dollar index futures both rose 0.1% in Asian trade, extending gains from Wednesday after core consumer price index inflation data read higher than expected for August.

On the other hand, the GBP/USD pair remains under pressure, trading near 1.3045 as the market reacted to the latest US inflation data. Economic activity released during the European session seems to have added pressure on the Pound. EUR/USD is gyrating in a tight range above 1.1000 in Asian trading on Thursday. Traders assess the latest US CPI inflation data, bracing for the ECB policy announcements amid a positive risk sentiment and sustained US Dollar strength. USD/JPY fails to capitalize on modest Asian session gains to the 143.00 threshold. The pair stalls its recovery from a nearly nine-month low touched the previous day, following BoJ official Takata's hawkish comments, which put a fresh bid under the Japanese Yen.

In the commodities markets, gold prices rose in Asian trade on Thursday and remained in sight of record highs as traders bet that the yellow metal will still benefit from a lower interest rate environment. But bets on a bumper interest rate cut by the Federal Reserve diminished greatly after core consumer price index inflation data read higher than expected for August. Traders were seen positioning for a smaller, 25 basis point reduction later in September- a notion that boosted the dollar and limited gold's advance. Spot gold rose 0.2% to \$2,516.88 an ounce, while gold futures expiring in December rose 0.1% to \$2,544.55 an ounce.

On the other hand, Oil prices rose during Asian trade on Thursday, spurred by concerns of Hurricane Francine impacting output in the U.S., the world's biggest crude producer, though worries of lower demand capped gains. Brent crude futures for November were up 40 cents, or 0.6% at \$71.01 a barrel. U.S. crude futures for October were up 32 cents, or 0.5%, at \$67.63 a barrel. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0817	1.1219
GBP/USD	1.2851	1.3252
USD/ZAR	15.8963	19.9013
USD/AED	3.6527	3.6932
USD/JPY	140.75	144.76

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.