



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH SEPTEMBER 2024

DOMESTIC NEWS

The Kenyan shilling was flat on Thursday despite a slight pickup in foreign-currency demand, and it was expected to remain in a tight range. LSEG data showed the shilling at 128.50/129.50 to the dollar, the same as Wednesday's closing level. (Reuters).

The government plans to manage appointment of Sacco directors and restrict their term limits as part of reforms to improve corporate governance in the entities that recently hit headlines for the wrong reasons, including embezzlement of members' savings and failure to refund share capital of those who exited. The Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSMEs) Development says the Sacco subsector, which holds over Sh1 trillion worth of assets, will also be required to deploy multiple auditors to forestall incidences of bias which result in financial statements not reflecting the true state of financial health.

In other local news, public universities and other tertiary colleges failed to remit nearly Sh1 billion deducted from payrolls to saccos last year, subjecting employees to penalties on prevailing loans and tighter lending terms in the future. Regulatory disclosures show that public institutions of higher learning did not remit Sh958.07 million to saccos, overtaking counties as the biggest defaulters in the review period. (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	165.56	178.56	164.76	179.46
EUR/KES	138.09	151.99	138.39	154.89
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

Asian currencies firmed on Friday, while the dollar retreated as markets bet that the Federal Reserve will kick off an easing cycle from next week, with focus squarely on the scale of a potential interest rate cut. The Japanese yen was the best performer among its Asian peers, coming close to its strongest level since early-January amid persistent expectations for a hawkish Bank of Japan. The dollar index and dollar index futures were both down 0.3% in Asian trade, extending losses from the prior session. The greenback was set for mild weekly losses-its second week in red, as traders stuck to expectations of interest rate cuts despite some strong inflation readings this week. While the inflation readings initially saw bets shift towards a 25-basis point reduction by the Fed next week, some soft labor market data put bets on a 50-bps reduction back in play.

On the other hand, the EUR/USD pair builds on the previous day's goodish recovery move from the 1.1000 psychological mark, or a nearly four-week low and attracts some follow-through buyers for the second straight day on Friday. The GBP/USD pair gains positive traction for the second straight day and recovers further from over a three-week low, around the 1.3000 psychological mark touched on Wednesday. USD/JPY weakens further below 141.00 in the Asian session on Friday. The extension of the downtrend in the pair is sponsored by the divergent monetary policy outlooks between the Fed and BoJ, which bolsters the Japanese Yen.

In the commodities markets, gold prices hit a record high in Asian trade on Friday, buoyed by persistent speculation that the Federal Reserve will cut interest rates in the coming week, while increased safe haven demand in the face of a tight U.S. presidential election also helped. The yellow metal shot up on Thursday and Friday, tracking declines in the dollar and Treasury yields as markets-maintained bets on an interest rate cut despite some stronger inflation data. Spot gold rose 0.3% to \$2,566.59 an ounce, while gold futures expiring in December rose 0.6% to \$2,594.70 an ounce.

On the other hand, Oil prices rose on Friday, extending a rally sparked by output disruptions in the U.S. Gulf of Mexico, where Hurricane Francine forced producers to evacuate platforms before it hit the coast of Louisiana. Brent crude futures rose by 34 cents, or 0.5%, to \$72.31 per barrel. U.S. West Texas Intermediate crude futures rose by 39 cents, or 0.6%, to \$69.36 a barrel. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0879	1.1281
GBP/USD	1.2942	1.3349
USD/ZAR	15.7371	19.7470
USD/AED	3.6527	3.6932
USD/JPY	138.97	142.97

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