



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 16<sup>TH</sup> OCTOBER 2024

### DOMESTIC NEWS

The Kenyan shilling was unchanged against the dollar on Tuesday. Kenya shilling traded at 128.50/129.50 to the dollar, the same as Monday's closing rate. (Reuters).

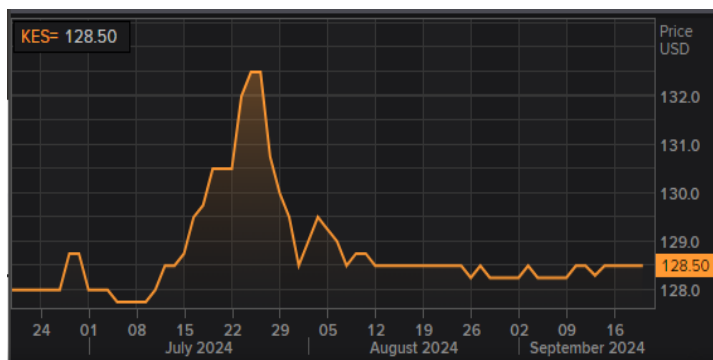
The Energy and Petroleum Regulatory Authority (EPRA) has indicated that electricity costs for October will slightly rise after the foreign exchange fluctuation adjustment rose to 114.89 cents per kWh from 103.32 cents per kWh. EPRA also stated that the fuel energy cost charge dipped from 343 cents per kWh last month to 339 cents. The slightly higher forex costs come as a surprise because the Kenyan shilling remains stable against the dollar, standing at KSh 129.19. By September this year, electricity costs had fallen by 22.3% caused by a decline in reliance on independent power producers (IPPs) and currency stability. (Kenyan Wallstreet)

In other local news In the post monetary policy briefing, the CBK governor disclosed that Kenya is in talks with the IMF and plans to combine the 7th and 8th reviews of the programme. According to the IMF, the disbursement will unlock about US\$976 million as the remaining amount of the programme which is expected to end in April 2025. The 7th Review was staged for May 2024 while the 8th Review was expected in October 2024 with the final review expected in March 2025. (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	164.67	177.67	163.87	178.57
EUR/KES	135.56	149.46	135.86	152.36
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 July 2024 – Date (Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar edged higher against most major currencies on Tuesday, resuming the latest uptrend that took it to more than two-month highs fueled by expectations the Federal Reserve will proceed with modest interest rate cuts over the next year and a half. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded largely unchanged at 102.915, retreating from the previous session's two-month peak. The index is still up 2.3% over the course of the last month, and well on course to end its three-month losing streak.

On the other hand, the EUR/USD traded 0.2% lower to 1.0892, after the release of more regional inflation data pointed to further rate cuts by the European Central Bank, starting on Thursday. French consumer prices fell more than initially expected in September, according to data released earlier Tuesday, with the headline harmonized annual consumer price index revised down to 1.4%, its lowest level since early 2021. GBP/USD edged 0.1% higher to 1.3070, after the UK unemployment rate unexpectedly fell to 4% in August, from 4.1%, suggesting underlying strength in the labor market. USD/CNY rose 0.4% to 7.1156. USD/JPY fell 0.4% to 149.11, with the yen rebounding slightly amid after the pair threatened to break above the 150 resistance level.

In the commodities markets, Gold prices steadied close to record highs in Asian trade on Wednesday, recouping some recent losses as traders maintained bets that the Federal Reserve will cut interest rates further. But markets-maintained bets that U.S. rates will still come down gradually, presenting more upside for metals and other non-yielding assets. This kept gold close to recent peaks. Spot gold rose 0.2% to \$2,667.072 an ounce, while gold futures expiring in December rose 0.2% to \$2,83.95 an ounce. Gold rangebound below record highs.

On the other hand, Oil prices inched higher in early trade on Wednesday on uncertainty over what may happen next in the Middle East conflict, after demand concerns knocked the market to its lowest since early October in the previous session. Brent crude oil futures rose 14 cents, or 0.2%, to \$74.39 a barrel by 0250 GMT. U.S. West Texas Intermediate crude futures climbed 19 cents, or 0.3%, to \$70.77 per barrel. Oil prices tumbled more than 4% to a near two-week low on Tuesday due to a weaker demand outlook and after a media report said Israel would not strike Iranian nuclear and oil sites, easing fears of a supply disruption. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0682	1.1083
GBP/USD	1.2823	1.3225
USD/ZAR	15.6103	19.6241
USD/AED	3.6527	3.6934
USD/JPY	147.32	151.34

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