



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH OCTOBER 2024

DOMESTIC NEWS

The Kenyan shilling was unmoved against the dollar on Wednesday. The shilling traded at 128.50/129.50 to the dollar, the same as Tuesday's closing rate. The East African currency has remained in the same range for several months. (Reuters).

Kenya's economy is projected to slow down as much as 0.6 percentage points in 2024, largely suppressed by reduced cash circulation on weaker government spending on projects amid heightened economic uncertainties in the private sector. The country's gross domestic product (GDP), a measure of all economic activities by the government, companies, and individuals, is forecast to grow at a slower pace of 5.0 percent compared with 5.6 percent in 2023. This is according to a consensus forecast report based on feedback from economists drawn from 14 world's leading banks, consultancies, and think tanks. (Business Daily)

In other local, Kenyans who have attained the retirement age of 50 could soon access their pension benefits without incurring taxes as the Treasury mulls exempting the savings from income taxes. The move would represent the reinstatement of a similar proposal carried out in the now defeated Finance Bill, 2024 and would mark relief to pensioners who have waited for up to 15- years to access their pension benefits tax-free. (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	163.53	176.53	162.73	177.43
EUR/KES	135.12	149.02	135.42	151.92
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 Wednesday, trading near two-month peaks on expectations of modest rate cuts from the Federal Reserve this year, while sterling slumped after benign inflation data. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% higher to 103.180, remaining close to Monday's two-month peak. Recent data indicating a resilient economy coupled with slightly hotter-than-expected inflation in September have led market participants to trim bets for an aggressive U.S. rate reduction.

On the other hand, In Europe, GBP/USD slumped 0.5% to 1.3003, after data showed British inflation fell more than expected in September, paving the way for a rate cut next month. The UK's inflation rate fell to 1.7% on an annual basis, below the forecast 1.9% and the 2.2% recorded a month earlier. EUR/USD traded 0.1% lower to 1.0882, ahead of Thursday's policy-setting meeting by the European Central Bank. The ECB has already lowered rates twice this year and a cut to the 3.5% deposit rate this week is almost fully priced in by financial markets. USD/JPY rose 0.2% to 149.43, with the pair climbing closer to the 150-resistance level. Consumer inflation data due later this week is expected to offer more cues on the Bank of Japan's plans to hike rates further.

In the commodities markets, gold prices rose slightly in Asian trade on Thursday, remaining close to record highs even as strength in the dollar- on speculation over a second Trump presidency- weighed on broader metal markets. A drop in Treasury yields helped support gold, as did expectations of interest rates by major central banks. The European Central Bank is widely expected to cut rates by 25 basis points later in the day. Spot gold rose 0.2% to \$2,678.90 an ounce, while gold futures expiring in December rose 0.1% to \$2,694.40 an ounce.

On the other hand, Oil prices edged higher on Thursday from two-week lows, with investors eyeing developments in the Middle East and more details on China's stimulus plans, as well as awaiting the release of official U.S. oil inventory data. Brent crude futures rose 17 cents, or 0.2%, to \$74.39 a barrel, while U.S. West Texas Intermediate crude futures were at \$70.58 a barrel, up 19 cents, or 0.3%. Both benchmarks settled down on Wednesday, closing at their lowest levels since Oct. 2 for the second day in a row. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0653	1.1055
GBP/USD	1.2786	1.3187
USD/ZAR	15.6788	19.6824
USD/AED	3.6528	3.6933
USD/JPY	147.62	151.66

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