



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND OCTOBER 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged against the dollar on Friday and will likely remain at the same levels this week. The East African currency traded at 128.50/129.50 against the dollar, the same as Thursday's closing rate. The shilling has remained in the same range for several months. (Reuters).

The International Monetary Fund (IMF) executive board is set to decide on fresh funding for Kenya when it meets on October 30, a newly released calendar shows, raising hope for the East African nation hard-hit by the long-delayed disbursement of cash from the multilateral lender. Kenya anticipates receiving Sh113 billion in the next tranche of loans from the IMF, following a breakthrough in protracted discussions that delayed funding from the Bretton Woods institution after new tax measures contained in the Finance Bill, 2024, were rejected in June. (Business Daily)

In other local news, Data by the Energy and Petroleum Regulatory Authority (Epra) shows that it took Kenya Power an average of 10.14 hours to connect its millions of customers back to the national grid after a blackout in the year to June, underlining the shaky state of the utility's ageing distribution system. EPRA's data further shows that power outages surged to an average of 10.14 hours a month in the year that ended June, up from 8.37 hours a year ago. (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	163.73	176.73	162.93	177.63
EUR/KES	134.69	148.59	134.99	151.49
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 dollar climbed on Monday, buoyed by a rise in U.S. bond yields, as a run of solid U.S. economic data suggested the Federal Reserve can afford to be patient in cutting rates while investors positioned for the Nov. 5 presidential election. The greenback has risen for three straight weeks and 14 of the past 16 sessions as a run of positive economic data led investors to scale back expectations about the size and speed of rate cuts from the Fed. Markets are pricing in an 87% chance for a cut of 25 basis points (bps) at the Fed's November meeting, with a 13% chance of the central bank holding rates steady, according to CME's FedWatch Tool. The dollar index, which measures the greenback against a basket of currencies, rose 0.53% to 104.01, on track for its biggest daily percentage gain since Oct. 4.

On the other hand, EUR/USD edged 0.1% lower to 1.0850, after German producer prices fell more than expected in September, declining 1.4% year on year, instead of the 1.0% anticipated. According to property website Rightmove, GBP/USD fell 0.2% to 1.3022, after data showed that asking prices for British homes rose only 0.3% in October, well below their average for a 1.3% monthly increase for the month. USD/JPY rose 0.3% to 149.91 but, remained below 150 after having breached that key level briefly last week for the first time since early August.

In the commodities markets, gold prices rose in Asian trade on Tuesday, steadying just below recent record highs as traders remained largely biased towards safe havens in anticipation of a tight 2024 presidential election. This notion saw gold and other precious metals remain strong even as the dollar firmed amid growing expectations that the Federal Reserve will cut interest rates at a slower pace. Spot gold rose 0.5% to \$2,734.38 an ounce, while gold futures rose 0.4% to \$2,748.40 an ounce. Spot prices hit a record high of just over \$2,740 an ounce on Monday.

On the other hand, Oil prices eased on Tuesday as the top U.S. diplomat renewed efforts to push for a ceasefire in the Middle East and as slowing demand growth in China, the world's top oil importer, continued to weigh on the market. Brent crude futures for December delivery were down 19 cents, or 0.3%, at \$74.1 a barrel. U.S. West Texas Intermediate crude futures for November delivery were 18 cents lower at \$70.43 a barrel on the contract's last day as the front month. The more actively traded WTI futures for December, which will soon become the front month, lost 14 cents, or 0.2%, to \$69.9 per barrel. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0626	1.1027
GBP/USD	1.2808	1.3216
USD/ZAR	15.5580	19.5646
USD/AED	3.6527	3.6932
USD/JPY	148.69	152.71

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.