



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 23<sup>RD</sup> OCTOBER 2024

### DOMESTIC NEWS

The Kenyan shilling was steady against the dollar on Tuesday, as limited foreign exchange demand from importers matched supply. The shilling traded at 128.50/129.50 the dollar, the same as Friday's closing rate. The market was closed on Monday for a public holiday. (Reuters).

The International Monetary Fund (IMF) has lowered its gross domestic product growth forecast for Kenya for 2025 to five percent in light of the possible financial challenges occasioned by the anti-tax riots that led to the rejection of the Finance Bill, 2024. In April, the IMF had projected the country's real GDP to grow 5.3 percent, on the back of the easing in consumer prices and declining interest rates, which were to be supported by increased State spending. (Business Daily)

In other local news, The Kenya Revenue Authority (KRA) plans to roll out a WhatsApp chatbot that will enable taxpayers to generate electronic tax invoices using the popular the messaging app in a bid to further boost voluntary tax compliance, especially among small traders. The initiative, said the KRA, is meant to further simplify tax invoicing using the newly introduced electronic tax invoice management system (eTIMS), especially for micro, small, and medium enterprises (MSMEs), and curb tax evasion. A WhatsApp chatbot is an artificial intelligence-enabled computer programme that simulates text-based human conversation via the messaging platform. (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	163.54	176.54	162.74	177.44
EUR/KES	134.45	148.35	134.75	151.25
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 August 2024 – Date (Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar rose to a fresh 2-1/2-month high on Tuesday, continuing its recent ascent on expectations the Federal Reserve will temper its interest rate cut path, while investors positioned ahead of an apparently tight U.S. presidential election. The greenback has risen for three straight weeks and is on track for its 15th gain in 17 sessions as a run of positive economic data has diminished expectations about the size and speed of rate cuts from the Fed, which has pushed U.S. Treasury yields higher. The yield on the benchmark 10-year U.S. Treasury note reached 4.222% on Tuesday, its highest since July 26. The dollar index, which measures the greenback against a basket of currencies, including the yen and the euro, rose 0.12% to 104.08, after hitting 104.10, its highest since Aug. 2.

On the other hand, EUR/USD edged 0.2% higher to 1.0833, ahead of a number of speeches from ECB officials in the wake of the European Central Bank's latest interest rate cut. GBP/USD rose 0.2% to 1.3003, after data showed that UK government borrowing increased by £2.1 billion against September last year to £16.6 billion, the highest figure for September since records began in 1993. The Bank of England is set to cut interest rates in the upcoming months as it attempts to stimulate the British economy. USD/JPY rose 0.1% to 150.91, trading just below its highest level since late-July. USD/CNY rose 0.1% to 7.1214.

In the commodities markets, Gold prices inched higher to a record high in Asian trade on Wednesday, extending a run of recent gains as anticipation of a tight U.S. presidential race and persistent tensions in the Middle East spurred safe haven demand. Strength in the yellow metal came even as the dollar hit a near three-month high, amid growing bets that the Federal Reserve will cut interest rates at a slower pace. Other precious metals were also sitting on strong gains in recent sessions. Spot gold rose slightly to a record high of \$2,750.35 an ounce, while gold futures expiring in December rose 0.2% to \$2,764.15 an ounce.

On the other hand, Oil prices dipped on Wednesday after industry data showed U.S. crude inventories swelled more than expected, though declines were capped as the market watched diplomatic efforts in the Middle East after Israel continued attacks on Gaza and Lebanon. Brent crude futures dipped 20 cents, or 0.3%, to \$75.84 a barrel. U.S. West Texas Intermediate crude futures shed 20 cents, or 0.3%, to \$71.54 a barrel.

(Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0605	1.1005
GBP/USD	1.2789	1.3192
USD/ZAR	15.5215	19.5265
USD/AED	3.6527	3.6932
USD/JPY	150.13	154.15

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.