



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24<sup>TH</sup> OCTOBER 2024

### DOMESTIC NEWS

The Kenyan shilling was unmoved against the dollar on Wednesday, as exporters converted dollars to the local currency to process payrolls. The shilling traded at 128.50/129.50 the dollar at 0720 GMT, LSEG data showed, the same as Tuesday's closing rate. (Reuters).

Local investors have gained prominence at the Nairobi Securities Exchange (NSE) over the past three months, reflecting reduced activity by their offshore counterparts in the market even as investment conditions improved abroad. Market data shows that local investors have accounted for 59 percent of all traded turnover in the period, and foreigners' 41 percent, reversing the trend seen in the first and second quarters of the year, when foreigners accounted for 60.3 percent and 57.3 percent of trades at the NSE. The pullback by foreigners, analysts say, indicates reduced selling activity after the resolution of the dollar supply woes that affected the market in the first quarter, and the successful refinancing of the 2014 Eurobond which has raised jitters about the ability of the government to repay its debt. (Business Daily)

In other local news, Lawyers for and against the impeachment of Rigathi Gachagua as Deputy President are gearing up for a gruelling legal battle, as more than 30 cases challenging the impeachment process are heard. Mr Gachagua's lawyers have already signalled their intention to appeal the ruling by a three-judge bench that Deputy Chief Justice (DCJ) Philomena Mwili had the power to appoint the panel to hear the cases. (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 | 162.76   | 175.76    | 161.96 | 176.66  |
| EUR/KES | 134.29   | 148.19    | 134.59 | 151.09  |
| 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 climbed to new highs Wednesday, as uncertainty over U.S. interest rates and the upcoming presidential elections kept the safe haven in demand. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.3% higher to 104.175, close to a near three-month high. This change in stance has seen US Treasury yields surge on expectations of relatively higher rates, with the 10-year yield hitting a three-month high this week. Also helping support the greenback has been the growing expectations that Republican candidate Donald Trump will win the US Presidential election earlier next month, given his protectionist policies are seen boosting the US currency.

On the other hand, the EUR/USD edged 0.1% lower to 1.0785, with the euro weakening amid growing expectations that the European Central Bank may be more aggressive in rate cuts going forward given an uncertain growth outlook. GBP/USD fell 0.1% to 1.2969, ahead of a speech by Bank of England Governor Andrew Bailey later in the day, which could offer more clues of further monetary policy. USD/JPY soared 0.9% to 152.38. USD/CNY rose 0.1% to 7.1265. USD/CAD rose 0.1% to 1.3824, ahead of the latest policy-setting meeting by the Bank of Canada later in this session.

In the commodities markets, Gold prices rose slightly in Asian trade on Thursday, but were nursing a tumble from record highs as anxiety over the U.S. election and a shifting outlook for interest rates favored the dollar. But despite Wednesday's losses, the yellow metal was still trading higher for the week, with a heightened safe haven expected to keep gold prices underpinned in the coming days. Spot gold rose 0.3% to \$2,724.70 an ounce, while gold futures expiring in December rose 0.3% to \$2,737.15 an ounce. Spot prices hit a record high of \$2,758.53 an ounce earlier this week. Gold remains underpinned by safe haven demand.

On the other hand, Oil prices climbed by more than 1% on Thursday, almost reversing previous session's losses, as Middle East tensions came back into focus ahead of the U.S. election despite a mixed bag of U.S. fuel inventories. Brent crude futures rose 95 cents, or 1.27% to \$75.91. Oil prices have gained nearly 4% so far this week, helping trim last week's losses of than 7% on worries about Chinese demand and easing concerns about potential disruptions caused by fighting in the Middle East.

(Reuters).

### Indicative Cross Rates

|         | Bid     | Offer   |
|---------|---------|---------|
| EUR/USD | 1.0590  | 1.0991  |
| GBP/USD | 1.2723  | 1.3130  |
| USD/ZAR | 15.7817 | 19.7893 |
| USD/AED | 3.6527  | 3.6932  |
| USD/JPY | 150.30  | 154.32  |

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