



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH OCTOBER 2024

DOMESTIC NEWS

The Kenyan shilling was steady against the dollar on Thursday, as remittance inflows matched importer foreign exchange demand. The shilling traded at 128.50/129.50 the dollar, LSEG data showed, the same as Wednesday's closing rate. Flows were expected at the end of the month that would drive the shilling one way or the other, but there was reduced activity. (Reuters).

The Kenya Revenue Authority is linking its electronic tax invoice management system (eTIMS) to fuel stations in a bid to weed out tax cheats and boost revenues by billions of shillings through monitoring motorists' consumption of diesel and petrol. This means that every purchase of petroleum product from a fuel station from June will be accompanied with an eTIMS receipt or electronic notice, giving the KRA a full view of the scale of business undertaken by stations across the country. The integration is aimed at tightening the authority's visibility of transactions at the pump and weed out filing of fictitious VAT claims as well as monitor fuel stations' sales. (Business Daily)

In other local news, The Communications Authority of Kenya (CA) has said that Non-tax-compliant mobile phones will be blocked from accessing the national network from January, as the government rallies to net elusive revenues. The sector regulator said that starting January 2025, tax compliance information of all mobile phones imported or assembled from November 2024 will be a prerequisite to their registration in the national master database, and subsequent connection to local networks, for them to be usable. (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	163.26	176.26	162.46	177.16
EUR/KES	134.71	148.61	135.01	151.51
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 slipped slightly lower Thursday, but remained close to three-month highs underpinned by expectations for a slower pace of interest rate cuts by the Federal Reserve ahead of the upcoming US presidential election. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% lower to 104.095, not far removed from levels last seen at the end of July. The dollar has been in demand as recent economic data has pointed to the US economy holding up reasonably well, suggesting that the Federal Reserve can be less aggressive in its easing than had previously been expected. The Federal Reserve's Beige Book, released Wednesday, said that economic activity was little changed since early September, while the labor market continued to show signs of strength.

On the other hand, In Europe, EUR/USD edged 0.2% higher to 1.0797, with traders digesting the latest economic activity data from the eurozone region. GBP/USD rose 0.3% to 1.2961, bouncing after the pair dipped to a more than five-week low of in the previous session, ahead of the release of the October UK PMI data. USD/JPY fell 0.4% to 152.19, slipping back slightly after climbing to a near three-month high in the prior session. The yen saw some support after Japanese government officials warned against “one-sided” moves in currency markets, in light of recent weakness in the yen. Their comments spurred some fears of currency market intervention.

In the commodities markets, gold prices fell slightly in Asian trade on Friday, remaining in sight of record highs hit earlier this week as anticipation of a tight U.S. presidential election kept traders biased towards safe havens. While the yellow metal did notch new highs, it struggled to hold its peaks amid pressure from a stronger dollar and higher Treasury yields. Still, gold was set for mild weekly gains in its third consecutive week of gains. Safe haven demand was also boosted by persistent concerns over worsening geopolitical conditions in the Middle East. Spot gold fell 0.4% to \$2,724.55 an ounce, while gold futures expiring in December fell 0.4% to \$2,737.05 an ounce. Spot gold was set to rise about 0.2% this week after hitting a record high of \$2,758.53 an ounce.

On the other hand, Oil prices nudged higher on Friday and are on track for a weekly gain of more than 1%, as tensions in the world's top oil-producing region, the Middle East, and a restart in Gaza ceasefire talks in the coming days kept traders on edge. Brent crude futures climbed 18 cents, or 0.2%, to \$74.56 a barrel while U.S. West Texas Intermediate crude was at \$70.34 a barrel, up 15 cents, or 0.2%. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0618	1.1020
GBP/USD	1.2761	1.3164
USD/ZAR	15.7040	19.7078
USD/AED	3.6529	3.6931
USD/JPY	149.94	153.97

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