



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 29<sup>TH</sup> OCTOBER 2024

### DOMESTIC NEWS

The Kenyan shilling was steady against the dollar on Monday as international aid agencies converted foreign currency to clear expenses and pay salaries, supporting the local unit. The shilling traded at 128.50/129.50 the dollar, the same as Friday's closing rate. (Reuters).

Money sent home by Kenyans living and working in the diaspora dropped by 2% in September compared to August partly owing to a slowdown in major economies. Diaspora inflows decreased to KSh 53.9 billion (US\$418.5) from KSh 55.1 billion (US\$427.2) in August 2024. The decrease was primarily driven by downticks in Asia and North America, however watered down by increases in Europe and Africa. Since 2015, diaspora remittances have been the largest source of foreign inflows into the country, ahead of tourism, foreign direct investments, and key agricultural exports such as horticulture and tea. In the 12 months to September 2024, cumulative remittances increased by 14% to US\$ 472.3 billion compared to US \$414.2 billion in a similar period in 2023. The US remained the largest source of remittances to Kenya, accounting for 55% in September. Inflows from the US saw a 2.5% slowdown in the same month. (Business Daily)

In other local news, Impeached Deputy President Rigathi Gachagua now wants proceedings at the High Court on his removal bid stopped, pending the determination of an appeal he has filed. The Court of Appeal certified the matter as urgent and placed the file before the president of the court Daniel Musinga for appointment of a bench. This means that today's hearing before the High Court will proceed as scheduled. (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	163.25	176.25	162.45	177.15
EUR/KES	134.59	148.49	134.89	151.39
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 steadied Monday, on course for a hefty monthly gain, while the euro was steady at the start of an action-packed week. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded largely unchanged at 104.147, but was on track for a gain of around 4%, its sharpest monthly rise since April 2022. The dollar has been in demand of late on growing expectations of smaller U.S. interest rate cuts on the back of reasonably healthy economic data. This sentiment is likely to be put to the test this week, with US gross domestic product data on Wednesday and, more importantly, the monthly jobs report on Friday. Friday's employment report is expected to show that jobs growth slowed to a more modest 111,000 in October, reflecting the impact of strikes and weather-related disruptions from Hurricane Helene and Milton. The Fed has already telegraphed its intention to cut interest rates by 25 basis points at its November meeting after delivering a 50-bps cut in September, but this week's economic data could still have some bearing on that decision.

On the other hand, In Europe, EUR/USD edged 0.2% higher to 1.0819, with the euro on course for a monthly loss of around 3%, amid concerns about the weak regional growth outlook. The ECB has already cut rates three times this year, each time by 25 basis points, but expectations are growing that the central bank will consider a larger reduction at its next meeting. GBP/USD traded 0.1% higher to 1.2973, heading for a weekly loss of around 0.5%, also on course for a 3% monthly loss. USD/JPY rose 0.5% to 153.09. USD/CNY rose 0.2% to 7.1305.

In the commodities markets, Gold prices rose in Asian trade on Tuesday, coming close to record highs as the run-up to the 2024 presidential election and uncertainty before upcoming data prints kept safe haven demand in play. The yellow metal recouped all of its losses from the prior session, as easing fears of the Middle East conflict saw gold slip from recent peaks. Spot gold rose 0.4% to \$2,753.60 an ounce, while gold futures expiring in December rose 0.4% to \$2,765.50 an ounce. Gold buoyed by election, rate jitters. Donald Trump and Kamala Harris are set for a hotly contested election, with voting set for November 5.

On the other hand, Oil prices were little changed on Tuesday after falling in the previous session as a U.S. plan to buy oil for the Strategic Petroleum Reserve (SPR) provided some support though wider concerns about weaker future demand growth exerted pressure. (Reuters).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0709	1.1010
GBP/USD	1.2762	1.3166
USD/ZAR	15.7092	19.7164
USD/AED	3.6528	3.6933
USD/JPY	151.00	155.01

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