

## A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 08<sup>TH</sup> NOVEMBER 2024

## DOMESTIC NEWS

The Kenyan shilling was steady against the dollar on Thursdays, as foreign exchange inflows from the tourism and tea sectors matched demand. The shilling traded at 128.50/129.50 to the dollar, LSEG data showed, the same as Wednesday's closing rate. (Reuters).

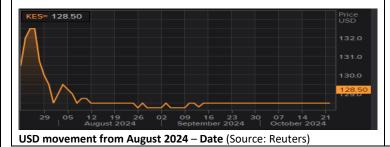
Average monthly pay in Kenya's private sector has fallen for the first time in over three decades to Sh75,781, reflecting the impact of the country's soft economy that has pushed firms to keep a lid on costs. The Kenya Revenue Authority (KRA) says the pay per employee has dropped from the Sh78,034 clocked in the quarter ended September last year. This suggests firms are preferring lower-paid workers as they navigate slow sales. The reduced pay comes in a period when inflation wiped out the average 2.8 percent salary increase offered to the Kenyan workers last year, making it the fourth year in a row when wage rises lagged the cost-of-living measure. (Business Daily).

In other local news, the government has raised Sh25.7 billion from the first of two bond auctions this month, even as the Central Bank of Kenya continued to reject higher priced bids in efforts to bring down interest rates. November's bond issuance comprises a 15-year paper whose initial sale was in April 2022, a 10-year paper first sold in February 2023 and another 10-year paper which was first floated in March this year. The 2022 and 2023 papers, whose auction closed on Wednesday, raised a combined Sh25.7 billion against a target of Sh25 billion, from bids of Sh33 billion. (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	163.33	176.33	162.53	177.23
EUR/KES	134.24	148.14	134.54	151.04
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%



## INTERNATIONAL NEWS

Most Asian currencies steadied on Friday after clocking sharp gains in the prior session, while the dollar nursed some losses after the Federal Reserve cut interest rates as widely expected. Regional currencies recouped a bulk of their weekly losses after the Fed's move, with some even turning positive for the week. The dollar, on the other hand, tumbled from four-month highs, with some traders also locking in recent gains. Focus was also on more cues on fiscal stimulus from China, as a meeting of the country's Nation People's Congress entered its final day. The dollar index and dollar index futures both steadied in Asian trade, steadying from a sharp drop on Thursday after the Fed cut interest rates by 25 basis points to a range of 4.50% to 4.75%. The greenback had shot up to a four-month high earlier in the week after Donald Trump won the 2024 presidential election, with Trump's policies potentially heralding stickier inflation in the long term.

On the other hand, In Europe, GBP/USD rose 0.2% to 1.2904, with the Bank of England likely to announce another rate cut of 25 basis points later in the session, its second cut since 2020, after a move in August. EUR/USD climbed 0.2% to 1.0753, having fallen as low as 1.0682 for the first time since July 27 on Donald Trump's reelection. The euro has regained some ground despite the collapse of the German government, with German Chancellor Olaf Scholz saying on Wednesday that he would call a confidence vote on January 15, which could pave the way for a snap federal election in March.

In the commodities markets, gold prices fell in Asian trade on Friday, seeing little relief even as the dollar slid in the wake of an interest rate cut by the Federal Reserve, while markets also digested the ramifications of a second Donald Trump presidency. The yellow metal was battered by a sharp rally in the dollar this week after Trump won the 2024 presidential election. But the dollar retreated from fourmonth peaks on Thursday after the Fed cut interest rates and signaled plans for more easing. Spot gold fell 0.4% to \$2,695.93 an ounce, while gold futures expiring in December fell 0.1% to \$2,702.80 an ounce.

On the other hand, Oil prices fell slightly on Friday as the risk that a hurricane in the Gulf of Mexico will significantly affect U.S. oil and gas output declined, while the market weighs how President-elect Donald Trump's policies might affect supplies. Brent crude oil futures fell 47 cents, or 0.6%, to \$75.16 per barrel. U.S. West Texas Intermediate (WTI) crude fell 55 cents or 0.8% to \$71.81. The benchmarks fell after rising nearly 1% on Thursday. (Reuters).

Indicative Cross Rates				
	Bid	Offer		
EUR/USD	1.0577	1.0978		
GBP/USD	1.2766	1.3167		
USD/ZAR	15.3638	19.3732		
USD/AED	3.6526	3.6934		
USD/JPY	150.90	154.94		

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