

## A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 11TH NOVEMBER 2024

## **DOMESTIC NEWS**

The Kenyan shilling was unchanged against the dollar on Friday but could weaken towards the end of the year as foreign currency demand increases across all sectors. The shilling traded at 128.50/129.50 to the dollar, LSEG data showed, the same as Thursday's closing rate. (Reuters).

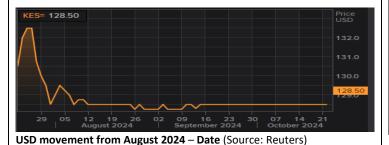
Kenya has sought the assistance of the International Monetary Fund (IMF) with introducing a carbon tax on goods without sparking social unrest after the deadly protests against new taxes in June and July. The IMF is expected to help identify the products that would attract the tax that is gaining currency in the developed world. Kenya could also introduce an emissions trading system (ETS) — a cap-and-trade system that allows those industries with low emissions to sell their extra allowances to larger emitters. The government's previous attempt to introduce a pollution tax, the so-called eco levy, through the Finance Bill, 2024 flopped after youth led protests forced the State to withdraw the proposed law that contained a slew of taxes. (Business Daily).

In other local news, Kenya's forex reserves have grown by US\$1.97 billion in the last ten weeks with the Central Bank of Kenya (CBK) buying excess dollars amid increased supply of the greenback. Last week, Kenya increased its reserves increase by a record US\$737 million or 8.6% to bring the total to US\$9.323 billion. The jump comes just a week after the International Monetary Fund (IMF) approved the US\$606 million disbursement under the US\$3.6 billion medium-term program with Kenya after months of delays. (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	162.61	175.61	161.81	176.51
EUR/KES	133.34	147.24	133.64	150.14
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

The dollar edged higher on Monday as markets braced for U.S. inflation data and a throng of Federal Reserve speakers this week. Analysts expect Trump's policy proposals -- including more trade tariffs, a clampdown on illegal immigration, lower taxes and business deregulation -- will boost growth and inflation. But in the near term there remains considerable uncertainty over what policies will actually be introduced. The dollar index jumped to a four-month high of 105.44 on Wednesday, but has dipped since, partly due to profit-taking. It was up 0.58% on the day at 105.01 on Friday and on pace for a 0.68% weekly increase. Data on Friday showed that U.S. consumer sentiment rose to a seven-month high in early November, in a survey taken before the election. The next major U.S. economic release will be Wednesday's consumer price data for October.

On the other hand, EUR/USD dropped 0.2% to 1.0785, with the common currency on course for a weekly loss of around 0.5%, weighed by a political crisis in Germany, the eurozone's biggest economy. German Chancellor Olaf Scholz on Wednesday sacked his finance minister, paving the way for a snap election after months of disagreements in his three-party coalition. GBP/USD fell 0.2% to 1.2961, with sterling falling further from the psychologically important 1.30 level in the wake of the Bank of England's latest interest rate cut. USD/CNY climbed 0.2% to 7.1555. USD/JPY fell 0.4% to 152.39. AUD/USD fell 0.5% to 0.6646.

In the commodities markets, Gold prices fell in Asian trade on Monday, extending losses from last week as risk appetite remained mostly upbeat following Donald Trump's victory in the 2024 presidential election. The yellow metal was also pressured by strength in the dollar, as the greenback steadied before more cues on U.S. inflation and the Federal Reserve this week. An outlook for higher rates in the long term, under a Trump presidency, also weighed on bullion prices. Spot gold fell 0.5% to \$2,670.69 an ounce, while gold futures expiring in December fell 0. % to \$2,677.50 an ounce.

On the other hand, Oil prices extended declines on Monday as the threat of a supply disruption from a U.S. storm eased and after China's stimulus plan disappointed investors seeking fuel demand growth in the world's No. 2 oil consumer. Brent crude futures dropped 31 cents, or 0.4%, to \$73.56 a barrel while U.S. West Texas Intermediate crude futures were at \$70 a barrel, down 38 cents, or 0.5%. Both benchmarks fell more than 2% last Friday.

(Reuters).

Indicative Cross Rates				
	Bid	Offer		
EUR/USD	1.0513	1.0917		
GBP/USD	1.2712	1.3114		
USD/ZAR	15.6011	19.6073		
USD/AED	3.6528	3.6931		
USD/JPY	151.53	155.54		
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