



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH NOVEMBER 2024

DOMESTIC NEWS

The Kenyan shilling was steady against the dollar on Monday, as inflows from the agriculture and tourism sectors matched demand from general goods importers and oil marketing companies. Commercial banks quoted the shilling at 128.50/129.50 to the dollar, the same as Friday's closing rate. (Reuters).

Official foreign reserves at the Central Bank of Kenya have hit a new four-year high on new disbursements from the International Monetary Fund (IMF) and net dollar purchases by the apex bank. Data from the CBK shows the forex cover rose by Sh95 billion to hit Sh1.204 trillion (\$9.323 billion) as of Thursday last week from Sh1.109 trillion (\$8.586 billion) the previous week. The reserves now stand at their highest level since the opening week of October 2021, when the cover stood at Sh1.210 trillion (\$9.365 trillion). The growth in the CBK reserves is anchored on debt inflows from the IMF alongside net purchases by the apex bank. This has been attributable to increased foreign investment in the government's domestic debt due to double-digit interest rates. The IMF approved the disbursement of Sh78.3 billion (\$606.1 million) to Kenya on October 30, covering the seventh and eighth reviews of its multi-year structural reform-based programme. (Business Daily).

In other local news, The Treasury has introduced a draft bill that will create a new comprehensive health insurance cover for civil servants and disciplined forces separate from the Social Health Insurance Fund (SHIF) provisions. (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	161.66	174.66	160.86	175.56
EUR/KES	132.40	146.30	132.70	149.20
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

Most Asian currencies weakened on Tuesday, while the dollar traded near a four-month high as traders remained largely biased towards sectors expected to benefit from a second Donald Trump presidency. Dollar near 4-mth peak as traders see higher rates under Trump. The dollar index and dollar index futures both rose slightly in Asian trade and remained close to a four-month high hit in the prior session. The greenback has been on a tear since Trump's election victory last week, given that any protectionist policies in trade and immigration are expected to be inflationary in the long term. This is expected to keep interest rates relatively higher in the coming years, benefiting the dollar. Trump is also expected to cut taxes, which factor further into an inflationary outlook. Focus this week is also on key U.S. consumer price index inflation data, due on Wednesday, for more cues on interest rates. Inflation is expected to have remained sticky in October.

On the other hand, EUR/USD dropped 0.3% to 1.0688, weighed by Trump's proposals for tariffs on imports, which could hurt European exports, as well the political turmoil in Germany, the eurozone's biggest economy. GBP/USD fell 0.2% to 1.2900, after the Bank of England delivered its second rate cut since 2020 on Thursday, dropping by 25 basis points to 4.75% from 5%. USD/CNY climbed 0.2% to 7.1934, remaining close to three-month highs after China's National People's Congress outlined plans for more fiscal spending. USD/JPY rose 0.8% to 153.83.

In the commodities markets, Gold prices moved little in Asian trade on Tuesday after tumbling from record highs in recent weeks as the dollar firmed sharply amid speculation over a second Donald Trump presidency. Improved risk appetite, following Trump's election victory last week, sapped gold of safe haven demand. A sharp rally in the dollar also pressured bullion prices. Spot gold fell 0.1% to \$2,617.64 an ounce, while gold futures expiring in December rose 0.2% to \$2,623.70 an ounce. Gold battered by Trump trade; CPI, Fedspeak awaited.

On the other hand, Oil prices were flat in Asian trade on Tuesday after logging steep losses in the prior session as more stimulus measures in China underwhelmed, while focus also remained on U.S. supplies. Crude prices tumbled on Monday as China's plans for more fiscal spending left investors wanting, while inflation data from the world's biggest oil importer also disappointed. Brent oil futures expiring in January rose 0.2% to \$71.95 a barrel, while West Texas Intermediate crude futures rose 0.2% to \$68.04 a barrel. Both contracts lost over 2% on Monday. (Reuters).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0441	1.0842
GBP/USD	1.2636	1.3037
USD/ZAR	15.9694	19.9729
USD/AED	3.6524	3.6934
USD/JPY	151.56	155.57

For more details, contact our Treasury staff Mary, John, Alice & Joseph on Tel +254 20 5131311, DL +254 20 513 1354/55/51/52, Cell +254 709913351/52/54/55. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. The rates quoted includes the Banks mark up. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.