

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 14TH NOVEMBER 2024

DOMESTIC NEWS

The Kenyan shilling weakened slightly against the dollar on Wednesday, as the U.S. currency has strengthened globally following the presidential election, increasing local demand. The shilling traded at 129.00/129.30 to the dollar, compared to Tuesday's closing rate of 128.50/129.50. (Reuters)

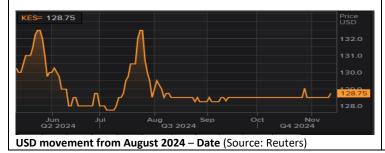
Delegates from over 200 countries attending the 29th Conference of Parties (COP29) have agreed on new United Nations standards on carbon markets, permitting polluters to pay for their climate-ills through credits abroad. Carbon credits are obtained through activities that cut, or avoid greenhouse gas emissions, like planting trees, protecting carbon sinks like oceans or replacing fossil fuels such as coal, oil and gas with clean energy alternatives. (Business Daily).

In other local news, President William Ruto has summoned Cabinet Secretaries (CSs) and Principal Secretaries (PSs) to State House to sign fresh performance contracts on November 19 They are expected to commit to a new set of targets for the government's priority projects amid pressure to deliver on pre-election promises. The exercise, which is done annually, has more or less become a ritual with little to show for it. However, its proponents argue that it is part of Key Performance Indicator (KPI) for the public servants. In a circular obtained by the Nation, Head of the Public Service Felix Koskei has ordered all CSs and PSs to be "physically present" at State House for the signing of performance contracts. The event, to be presided over by the Head of State, is a culmination of a month-long negotiation and validation by ministries of key projects to be delivered by June next year. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.25	134.25	124.25	134.25
GBP/KES	159.88	172.88	159.08	173.78
EUR/KES	131.38	145.28	131.68	148.18
AED/KES	31.19	44.19	33.19	44.69

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 weakened on Thursday, while the dollar rose to a one-year high on data showing continued stickiness in U.S. inflation, with focus now turning to an upcoming address by Federal Reserve Chair Jerome Powell. The dollar index and dollar index futures both rose nearly 0.2% in Asian trade, extending sharp overnight gains. Consumer price index data read in line with expectations for October. But the headline CPI rate still rose from the prior month, while core CPI remained sticky and well above the Fed's 2% annual target. While the reading spurred bets that the Fed will still cut interest rates by 25 basis points in December, the long term outlook for rates grew more uncertain. Trump's election also pushed up long term expectations for rates, on bets of more expansionary policies during his second term. Focus was now on an upcoming address by Fed Chair Jerome Powell, later on Thursday, for more cues on interest rates.

On the other hand, EUR/USD traded largely unchanged at 1.0627, close to a one-year low, with the single currency hampered by the political uncertainty in Germany, as well as the potential for tariffs against Europe from the new Trump administration. GBP/USD edged higher to 1.2750, just above Tuesday's three-month low of 1.2719, in the wake of Bank of England cutting interest rates last week, for the second time this year. USD/CNY dropped 0.4% to 7.2064. USD/JPY rose 0.2% to 154.87.

In the commodities markets, Gold prices fell to a near two-month low on Thursday, hit chiefly by a stronger dollar after data showed U.S. inflation remained sticky, while anticipation of more cues from the Federal Reserve also weighed. Spot gold fell 0.5% to \$2,560.74 an ounce, while gold futures expiring in December slid 0.8% to \$2,565.25 an ounce. Spot gold was nursing an over 8% slide from a record high hit in October. Gold pressured by dollar spike on sticky CPI data. Losses in the yellow metal came tracking a sharp rise in the dollar and Treasury yields this week. The dollar's rally intensified after data on Wednesday showed U.S. consumer price index inflation remained sticky in October.

On the other hand, Oil prices slipped in early trade on Thursday, reversing most of the previous session's gains, weighed down by worries of higher global production amid slow demand growth, with a firmer dollar exacerbating the declines. Brent crude futures fell 35 cents, or 0.5%, to \$71.93 a barrel by 0400 GMT. U.S. West Texas Intermediate crude (WTI) futures declined 42 cents, or 0.6%, to \$68.01. (investing.com).

Indicative Cross Rates				
	Bid	Offer		
EUR/USD	1.0343	1.0744		
GBP/USD	1.2484	1.2890		
USD/ZAR	16.2689	20.2773		
USD/AED	3.6524	3.6934		
USD/JPY	153.97	157.99		

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