



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 15<sup>TH</sup> NOVEMBER 2024

### DOMESTIC NEWS

The Kenyan shilling weakened on Thursday due to increased demand for dollars across various sectors in the economy. Commercial banks quoted the shilling at 129.30/129.50 to the dollar, compared with Wednesday's closing rate of 128.75/129.75. (Reuters)

The prices of Super Petrol, Diesel and Kerosene will now remain unchanged for the next 30 days in Nairobi after the latest monthly fuel review by the Energy and Petroleum Regulatory Authority (EPRA). The regulator retained pump prices for Super Petrol, Diesel and Kerosene at KSh 180.66, KSh 168.06, KSh 151.39 per litre respectively. The average landed cost of imported Super Petrol increased by 0.54% from KSh 637.70 per cubic metre to KSh 641.14 per cubic metre. Diesel landed cost decreased by 4.34% from KSh 636.22 to KSh 608.61 while Kerosene's increased by 3.97% from KSh 623.39 to KSh 648.14. Markets have been paying close attention to fuel prices due to multiple factors, including the evolving conflicts in the Middle East which could disrupt crucial production sites and shipping routes, the rise of taxation as a form of deterrent against use of fossil fuels, and global geopolitics. (Business Daily).

In other local news, Revenues from two key levies on petroleum products fell by Sh5.63 billion in the year ended June 2024, reflecting a drop in fuel consumption in a softening economic setting characterized by reduced money in circulation. Treasury documents show that collections from road maintenance levy fund (RMLF) and Petroleum Development Levy (PDL) dropped on the back of reduced use of diesel and petrol compared with previous 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	159.86	172.86	159.06	173.76
EUR/KES	131.35	145.25	131.65	148.15
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%	



USD movement from August 2024 – Date (Source: Reuters)

### INTERNATIONAL NEWS

Most Asian currencies moved little on Friday and were nursing losses for the week, while the dollar steadied at a one-year peak and was set for a strong week as markets dialed back bets on lower U.S. interest rates. The dollar was headed for a sixth straight week of gains as it extended its rally on Donald Trump's election victory from last week. Less dovish statements from the Federal Reserve and strong U.S. inflation readings added to the greenback's strength. Dollar strong as rate cut bets recede on inflation, Powell comments. The dollar index and dollar index futures both rose 0.1% on Friday and were close to a one-year peak hit earlier in the week. In the near-term, sticky consumer and producer inflation readings spurred doubts over future rate cuts by the Federal Reserve, especially as Chair Jerome Powell said resilience in the U.S. economy gave the central bank more time to consider cutting rates. His comments saw traders sharply dial back expectations for a 25 basis point cut in December.

On the other hand, EUR/USD traded 0.2% lower to 1.0538, at its lowest level in a year ahead of the release of the latest growth data for the eurozone. GBP/USD rose 0.3% to 1.2664, falling to its lowest in three months at \$1.2683, with sterling pressured by the rampant dollar. USD/JPY rose 0.4% to 156.00, with the pair at a more than three-month high, and close to levels that had last sparked currency market intervention by the government. USD/CNY climbed 0.3% to 7.2428 to a three-month high. AUD/USD fell 0.3% to 0.6466.

In the commodities markets, Oil prices fell on Friday on signs demand in China, the world's biggest crude importer, continues to underperform amid its uneven economic recovery. Brent crude futures were down 65 cents, or 0.9%, at \$71.91 a barrel. U.S. West Texas Intermediate crude futures were down 62 cents, or 0.9%, at \$68.08. For the week, Brent is set to fall 2.7% while WTI is set to decline 3.3%. Oil prices also fell this week as major forecasters indicated market fundamentals remained bearish.

On the other hand, gold prices steadied in Asian trade on Friday but were nursing their worst weekly performance in over three years as strong U.S. inflation and less dovish signals from the Federal Reserve sparked doubts over lower interest rates. The yellow metal was also battered by a risk-on rally in the wake of a Donald Trump victory in the 2024 presidential election. Markets were also uncertain over the outlook for interest rates under Trump. Spot gold rose 0.2% to \$2,569.47 an ounce, while gold futures expiring in December rose 0.1% to \$2,574.05 an ounce (investing.com).

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0340	1.0741
GBP/USD	1.2469	1.2876
USD/ZAR	16.2677	20.2752
USD/AED	3.6529	3.6930
USD/JPY	154.43	158.44

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