



DIB Bank Kenya

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TREASURY MARKET UPDATE 20TH NOVEMBER 2024

DOMESTIC NEWS

The Kenyan shilling was unchanged on Tuesday as dollar inflows from exports matched demand from the manufacturing sector. The shilling traded at 128.75/129.75, according to LSEG data, the same as Monday's closing rate. The KES depreciated slightly in the last week, after holding steady since early August, but it is expected to stay stable towards the end of the month as companies convert dollars into local currencies to make statutory payments. (Reuters)

Kenya, Nigeria, Kosovo, El Salvador, Kazakhstan, and Türkiye have joined 25 other countries in supporting a declaration to triple nuclear energy capacity by 2050. This announcement was made by Dr. Sama Bilbao y León, director-general of the World Nuclear Association, at COP29 in Baku, Azerbaijan. Dr. León emphasized nuclear energy's crucial role in achieving the Paris Agreement's climate goals in a cost-effective and equitable way. Kenya's endorsement follows its recognition of nuclear energy as part of the solution to maintaining the 1.5-degree target, highlighted during COP28.

In other local news, Treasury Cabinet Secretary John Mbadi has urged governors to accept the Sh380 billion proposed by the National Assembly for this year, despite the financial strain in devolved units. While recognizing the need for more funds, he explained that the economy cannot support the Sh400 billion requested by governors. He suggested that governors accept the current allocation and work towards increasing it next year. (Business Daily).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.50	134.50	124.50	134.50
GBP/KES	160.27	173.27	159.47	174.17
EUR/KES	132.23	146.13	132.53	149.03
AED/KES	31.26	44.26	33.26	44.76

	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%	4.00%



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

INTERNATIONAL NEWS

The U.S. dollar gained 0.2% on Tuesday, with the Dollar Index reaching 106.427 after a slight drop in the previous session. This follows a strong six-week rally, during which the index surged nearly 7%, marking its sharpest climb since mid-2022. The dollar's recent strength has been driven by strong U.S. economic data, higher Treasury yields, and geopolitical uncertainties. However, markets are now in a consolidation phase as traders await further political and economic signals to gauge the dollar's future trajectory.

On the other hand, the euro fell 0.6% against the U.S. dollar to 1.0535, nearing last week's low, as concerns about the economic impact of expected U.S. trade tariffs weighed on the currency. ECB Vice-President Luis de Guindos noted that macroeconomic risks have shifted from inflation to fears of slower growth due to policy uncertainty, geopolitical tensions, and potential trade conflicts.

The pound declined 0.4% to 1.2626 as markets awaited UK inflation data for October, with expectations for a rise to 2.2%, up from September's 1.7%. Bank of England Governor Andrew Bailey is also set to discuss the inflationary effects of the new Labour government's budget.

Meanwhile, the yen rebounded 0.6% to 153.78 against the dollar after hitting near four-month lows earlier in November.

In the commodities markets, Oil prices remained stable for the second consecutive day on Wednesday, balancing concerns over potential supply disruptions from the Russia-Ukraine conflict with increased Chinese crude imports and rising U.S. crude inventories. Brent crude slipped slightly by \$0.05 to \$73.26 a barrel, while U.S. West Texas Intermediate (WTI) held steady at \$69.39. The intensifying conflict involving Russia, a key oil producer, has supported prices amid broader market pressures.

On the other hand, gold prices edged higher on Wednesday, supported by increased safe-haven demand amid escalating tensions between Russia and Ukraine. Spot gold rose 0.2% to \$2,636.28 an ounce, while December gold futures gained 0.3% to \$2,639.50. The metal rebounded from recent lows due to slight dollar weakness earlier in the week, though the dollar's stabilization limited further gains. Concerns intensified after Moscow lowered the threshold for nuclear retaliation, driving demand for gold as a safe-haven asset. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0388	1.0789
GBP/USD	1.2483	1.2889
USD/ZAR	16.0575	20.0675
USD/AED	3.6524	3.6934
USD/JPY	153.32	157.36

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