



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND NOVEMBER 2024

DOMESTIC NEWS

The Kenyan shilling was steady on Thursday as dollar inflows from exports matched rising demand from the manufacturing sector. The shilling traded at 129.00/130.00, according to LSEG data, the same as Wednesday's closing rate. (Reuters)

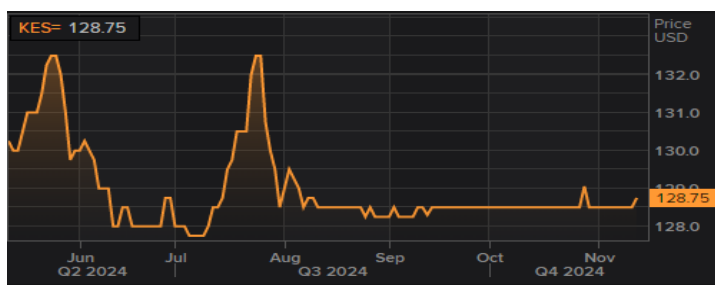
Kenyan President William Ruto has canceled two major contracts with the Adani Group amid controversy surrounding the company. One deal, worth Sh96 billion, involved Adani Energy Solutions building and operating transmission lines and substations for 30 years. The cancellation may require Kenya to compensate Adani for development costs and lost earnings, with the company potentially seeking higher compensation due to the lack of extraordinary termination grounds. President Ruto also stopped a procurement process that would have handed control of Jomo Kenyatta International Airport (JKIA) to the group. This follows a U.S. indictment accusing Adani Group founder Gautam Adani and others of paying \$265 million in bribes to Indian officials, allegations the group denies.

In other local news, The Industrial Training (Amendment) Bill, 2024, proposed by Kisumu Central MP Joshua Oron, seeks to allow experienced workers without formal qualifications to have their skills certified. If approved, the National Industrial Training Authority (Nita) will manage this process, helping tradespeople like carpenters, welders, and masons access better job prospects. (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	158.81	171.81	158.01	172.71
EUR/KES	130.65	144.55	130.95	147.45
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 slightly on Thursday, steadying after recent fluctuations, while the euro weakened amid escalating tensions in Eastern Europe. The Dollar Index rose 0.1% to 106.690, staying near its one-year high. Geopolitical concerns, including Ukraine's use of U.S. and U.K. missiles to strike Russian targets, have bolstered demand for the dollar. Additionally, support came from Donald Trump's election win, with traders anticipating inflationary policies like increased spending, higher tariffs, and stricter immigration measures, which could impact Federal Reserve easing.

On the other hand, the euro (EUR/USD) fell 0.3% to 1.0516, approaching last week's low of 1.0496, its weakest level since October 2023 amid a mix of geopolitical and economic challenges. Rising tensions in Ukraine, fueled by increased U.S. military support to Kyiv, have pressured European currencies. Economic struggles in Europe and fears of a trade conflict with the Trump-led U.S. administration are further weighing on the euro.

The British pound (GBP/USD) dropped 0.2% to 1.2630 after data showed October's public sector borrowing reached £17.4 billion, the second highest for the month since records began in 1993.

Meanwhile, the Japanese yen (USD/JPY) strengthened by 0.7% to 154.38, as Bank of Japan Governor Kazuo Ueda emphasized the importance of exchange-rate movements in shaping future economic and price projections. He suggested that additional data would be considered ahead of the BOJ's December policy meeting.

In the commodities markets, Oil prices have climbed significantly this week, with Brent crude futures reaching \$74.33 per barrel and U.S. West Texas Intermediate (WTI) crude at \$70.23 per barrel as of early Friday. Both benchmarks rose about 2% on Thursday and are set for weekly gains of over 4%, marking their best performance since late September. The increase in prices comes amid escalating tensions in the Russia-Ukraine war.

On the other hand, gold prices advanced on Thursday, driven by escalating tensions between Russia and Ukraine, which bolstered its appeal as a safe-haven asset despite the strengthening U.S. dollar. The metal marked its fourth consecutive session of gains, rebounding from over two-month lows. However, its upward momentum has begun to slow, weighed down by a firmer dollar and uncertainty around future U.S. interest rate adjustments. Spot gold increased by 0.7% to \$2,670.06 per ounce, while December gold futures rose 0.8% to \$2,671.90 per ounce. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0266	1.0668
GBP/USD	1.2367	1.2771
USD/ZAR	16.1070	20.1172
USD/AED	3.6526	3.6936
USD/JPY	152.86	156.90

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.