



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

**TREASURY MARKET UPDATE 02<sup>ND</sup> DECEMBER 2024**

**DOMESTIC NEWS**

The Kenyan Shilling slightly depreciated against the US Dollar on Friday, trading at 129.65/129.85 compared to Thursday's 129.45/130.45. This marks a near 4-month low for the shilling, which has weakened by 0.4% since President Trump's re-election on November 6, following a global rebound in the US Dollar. The Dollar Index (DXY) closed last week at 105.7, its lowest in two weeks, amid a pullback. Despite this, the Kenyan Shilling has remained relatively stable, still one of the best-performing currencies globally with a year-to-date gain of 17.1%. This stability is supported by strong dollar inflows from agricultural exports and increasing remittances from Kenyans abroad.

In other local news, over 20 Kenyans were arrested following a two-month sting operation by INTERPOL and AFRIPOL targeting 134,089 cybercrime networks. The operation led to the recovery of US\$43,954,537. The arrested individuals are accused of being involved in online credit card scams that resulted in a global banking loss of KSh 1.1 billion (US\$8.6 million). The stolen funds were reportedly transferred via SWIFT to digital asset firms in countries including the UAE, Nigeria, and China. (Business Daily).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	124.75	134.75	124.75	134.75
<b>GBP/KES</b>	160.63	173.63	159.83	174.53
<b>EUR/KES</b>	131.62	145.52	131.92	148.42
<b>AED/KES</b>	31.33	44.33	33.33	44.83

	Amounts > 10 million	Amounts >100,000
	KES	USD
<b>2 Weeks</b>	9.50%	1.50%
<b>1 Month</b>	9.75%	2.50%
<b>3 Months</b>	10.00%	3.25%
<b>6 Months</b>	10.25%	3.50%
<b>1 year</b>	10.50%	4.00%



**INTERNATIONAL NEWS**

The U.S. dollar gained strength on Monday, ahead of a crucial week that could influence the likelihood of U.S. rate cuts. The dollar was also supported by comments from U.S. President-elect Donald Trump, who, in a shift in tone, called on BRICS nations to refrain from creating or supporting a currency to replace the dollar, threatening 100% tariffs if they do.

The key event this week is the U.S. November payrolls report, expected on Friday, with forecasts suggesting an increase of 195,000 jobs after October's weather and strike disruptions. The jobless rate is expected to rise slightly to 4.2% from 4.1%, which may keep the Federal Reserve on track to cut rates by 25 basis points on December 18. Markets are pricing in a 65% chance of this cut, with just two more cuts anticipated for 2025. Additionally, speeches by Federal Reserve officials, including Chair Jerome Powell on Wednesday, and other economic data, including manufacturing and services surveys, will provide further insights.

On the other hand, GBPUSD reversed its two-week downtrend to the 1.2700 level. The USD/CNY pair fell by 0.2%, retreating from its four-month high but still set to post a 1.6% monthly gain. The USD/INR pair rose by 0.2%, hitting a record high of 84.708 rupees. The EUR/USD pair faced selling pressure, dropping to around 1.0530 due to the strengthening US Dollar in early Asian trading on Monday. Investors are focused on key events, including a speech by European Central Bank President Christine Lagarde and the release of the US ISM Manufacturing Purchasing Managers' Index later on Monday.

In the commodities markets, Oil prices rose on Monday, driven by positive factory activity data from China, the world's second-largest oil consumer, and heightened tensions in the Middle East as Israel resumed attacks on Lebanon despite a ceasefire agreement. Brent crude futures increased by 34 cents (0.47%) to \$72.18 per barrel, while U.S. West Texas Intermediate (WTI) crude was priced at \$68.32 per barrel.

On the other hand, Gold prices fell in Asian trade on Monday, weighed down by a stronger U.S. dollar following threats from President-elect Donald Trump to impose steep tariffs on BRICS countries. Spot gold dropped 0.9% to \$2,629.74 per ounce, while February gold futures fell 1.1% to \$2,652.11 per ounce. Safe haven demand for gold was limited as the Israel-Hezbollah ceasefire showed signs of holding, though ongoing tensions between Russia and Ukraine kept some haven buying in play. (investing.com).

**Indicative Cross Rates**

	Bid	Offer
<b>EUR/USD</b>	1.0317	1.0719
<b>GBP/USD</b>	1.2481	1.2886
<b>USD/ZAR</b>	16.1720	16.1805
<b>USD/AED</b>	3.6520	3.6929
<b>USD/JPY</b>	148.74	152.77

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