



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 04TH DECEMBER 2024

DOMESTIC NEWS

The Kenyan shilling was steady against the dollar on Tuesday. The shilling traded at 129.50/130.00 per dollar, the same as Monday's closing rate.

The National Assembly Finance Committee in Kenya has recommended exempting businesses with annual sales below Sh5 million from the Kenya Revenue Authority's electronic tax invoice management system (eTIMS). This change aims to alleviate the burden on small businesses and farmers, who were struggling to comply with the eTIMS requirement. As a result, larger companies that purchase goods and services from these smaller suppliers will now be responsible for issuing the electronic invoices. This proposal is part of the ongoing discussions on the Tax Procedures (Amendment) Bill, 2024, currently before Parliament.

In other local news, In November 2024, the cost of living in Kenya rose slightly, with the inflation rate increasing to 2.8% from 2.7% in October. The rise was mainly driven by a 0.6% increase in the Food and Non-Alcoholic Beverages Index. Notably, the prices of sugar, maize flour-sifted, and fortified maize flour went up by 5.3%, 5.1%, and 4.9%, respectively, between October and November. (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	160.30	173.30	159.50	174.20
EUR/KES	131.28	145.18	131.58	148.08
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 September 2024 – Date (Source: Reuters)

INTERNATIONAL NEWS

The US dollar has reached a two-year high following the recent US presidential election, reversing its decline from two months ago. The rebound, driven by strong US economic data and concerns over global growth, was further supported by the re-election of Donald Trump, which reduced the likelihood of major US rate cuts. The dollar has gained 6% in the US Dollar Index since September. However, UBS strategists caution that this strength may not present a good buying opportunity, as much of the positive news seems already priced in, advising against further investments in the dollar at this time.

On the other hand, the GBP/USD is currently trading at 1.26803 USD, showing a slight decrease of -0.03% in the past 24 hours. EUR/USD remains relatively flat, holding above 1.0500 amid a stable US Dollar and political uncertainty in France, where the government faces a no-confidence vote. Meanwhile, USD/JPY has risen to 150.00 in the Asian session, driven by increased haven demand for the US Dollar amid growing concerns over a tariff war, despite expectations of a possible December rate hike by the Bank of Japan. Markets are also awaiting US ADP data and a speech from Federal Reserve Chair Jerome Powell.

In the commodities markets, Gold prices saw a slight increase in Asian trade on Wednesday, rising amid safe haven demand triggered by political turmoil in South Korea. The yellow metal also benefited from concerns over a potential collapse in the Israel-Hezbollah ceasefire. However, gains were limited due to a surge in the US dollar, driven by uncertainty over the long-term outlook for US interest rates. Spot gold rose by 0.1% to \$2,646.53 per ounce, while February gold futures also gained 0.1%, reaching \$2,668.60 per ounce.

On the other hand, Oil prices rose on Wednesday as traders balanced geopolitical tensions and the potential for OPEC+ to extend supply cuts against weaker demand. Brent crude futures increased by 16 cents (0.2%) to \$73.78 per barrel, while U.S. West Texas Intermediate crude rose 14 cents (0.2%) to \$70.08. On Tuesday, Brent saw its largest gain in two weeks, rising by 2.5%. The rise in prices was supported by a fragile ceasefire between Israel and Hezbollah, South Korea's limited martial law declaration, and a rebel offensive in Syria, which could involve multiple oil-producing nations, according to Priyanka Sachdeva, senior market analyst at Phillip Nova. (investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0310	1.0712
GBP/USD	1.2480	1.2885
USD/ZAR	16.1145	20.1112
USD/AED	3.6524	3.6934
USD/JPY	148.05	152.09

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.