



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 03RD JANUARY 2025

DOMESTIC NEWS

Kenya's shilling was stable against the dollar on Thursday. The shilling traded at 129.00/129.50 per dollar, near Tuesday's closing rate of 128.85/129.35. Markets were closed on Wednesday for the New Year holiday. (Refinitiv).

In his New Year's Eve address in Kisii, President William Ruto highlighted Kenya's strong socioeconomic progress, with a 5.6% GDP growth in 2023, making it one of the world's fastest-growing economies. He lauded the resilience of Kenyans who overcame economic, climatic, and global challenges, achieving notable progress in food security, healthcare, and education. Ruto called on citizens to approach 2025 with faith, hope, and determination for continued national greatness.

On other news Ukrainian President Zelensky stated that Ukraine would not allow Russia to profit from its actions, while Poland's government called a recent move against Russia a victory. The European Commission noted that most EU states could handle reduced Russian gas imports, although Moldova, not in the EU, is facing shortages. Despite significant reductions since Russia's 2022 invasion of Ukraine, some eastern EU members still rely on Russian gas, providing Russia with about €5bn annually. (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	156.22	169.22	155.42	170.12
EUR/KES	127.89	141.79	128.19	144.69
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%	4.00%	



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

INTERNATIONAL NEWS

On the first trading day of 2025, the US dollar rose, driven by expectations of strong US growth, a more hawkish Federal Reserve, and the upcoming Donald Trump administration. The Dollar Index climbed 0.8% to 109.170, marking a 7% increase in 2024 as traders reduced their expectations for rate cuts following the Fed's December meeting. The central bank projected only two 25 basis point rate cuts in 2025, a sharp decrease from previous forecasts. Attention now turns to the release of weekly jobless claims and December's S&P Global manufacturing PMI for further insights into the US economy's strength.

On the other hand, On the first trading day of 2025, the EUR/USD fell 0.9% to 1.0258, following a 6% drop in 2024, as data showed a faster decline in eurozone manufacturing activity with little sign of recovery. GBP/USD dropped 1.2% to 1.2366, adding to last year's 1.7% fall, though it was the best-performing G10 currency against the dollar. UK house prices rose by 0.7% in December, while the Bank of England remained cautious due to rising consumer prices. USD/CNY rose 0.6% to 7.3435, its highest in over a year, after disappointing manufacturing data from China. USD/JPY increased 0.35% to 157.79, amid a dovish outlook from the Bank of Japan for 2025.

In the commodities markets, Gold prices rose slightly in Asian trading on Friday, on track for a weekly gain, supported by a slight pullback in the US dollar, though the greenback remained near its two-year peak, exerting pressure on gold. Spot Gold increased 0.2% to \$2,662.94 per ounce, and February gold futures gained 0.3% to \$2,677.70. The yellow metal was set for a nearly 2% weekly gain, its best since November 17, after two weeks of decline. The US Dollar Index dropped 0.2% but stayed near a two-year high. Other precious metals also saw gains, with Platinum Futures rising 0.5% and Silver Futures increasing 0.4%.

On the other hand, Oil prices rose on Friday, extending gains from the previous session when prices hit their highest levels in over two months. The rise was fueled by expectations that global governments may increase policy support to boost economic growth and fuel demand. Brent crude futures gained 0.3%, reaching \$76.15 per barrel, while U.S. West Texas Intermediate crude rose 0.3% to \$73.38 per barrel. Both contracts are set for their second consecutive weekly increase, aided by improved trade liquidity as investors returned from the holidays.

(investing.com).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0073	1.0475
GBP/USD	1.2196	1.2602
USD/ZAR	16.7002	20.7082
USD/AED	3.6524	3.6934
USD/JPY	155.22	159.28

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.