



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

**TREASURY MARKET UPDATE 24<sup>TH</sup> JANUARY 2025**

**DOMESTIC NEWS**

The Kenyan shilling remained stable at 129.10/129.60 per dollar on Thursday, slightly changing from Wednesday's 129.15/129.65. Stability since August has been driven by remittance inflows and low forex demand (Refinitiv).

Property prices in Nairobi grew 5.2% in 2024, led by increased demand for detached houses, which rose by 7.5%. Areas like Juja, Ridgeways, and Loresho saw significant price increases. Detached houses now account for just 7.2% of the market, down from 32.7% ten years ago. The average property price in Nairobi was Sh36.7 million by December. Rental prices dropped slightly by 0.02%, and property returns were lower than returns from other assets like government securities, yielding 7.2% in suburbs and 5% in satellite towns.

On other local news, The Insurance Protection Fund, proposed in the Policyholders Compensation Bill, 2025, will consolidate funds from the existing Policyholders Compensation Fund (PCF). Its purpose is to compensate claimants of insurers facing statutory management and to increase public confidence in the insurance sector. The fund will be managed by the PCF board and include resources from government, insurance companies, grants, and borrowings. Licensed insurers must contribute 0.5% of premiums to the fund. The fund's investments could include Treasury bills, bonds, or other approved assets. Business Daily).

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
<b>USD/KES</b>	124.25	134.25	124.25	134.25
<b>GBP/KES</b>	156.15	169.15	155.35	170.05
<b>EUR/KES</b>	130.14	144.04	130.44	146.94
<b>AED/KES</b>	31.19	44.19	33.19	44.69

	Amounts > 10 million	Amounts >100,000
	KES	USD
<b>2 Weeks</b>	8.50%	1.50%
<b>1 Month</b>	8.75%	2.25%
<b>3 Months</b>	9.00%	2.75%
<b>6 Months</b>	9.25%	3.00%
<b>1 year</b>	9.50%	3.50%



**INTERNATIONAL NEWS**

The U.S. dollar edged 0.2% higher to 108.150 on Thursday, remaining within a narrow range ahead of President Donald Trump's speech at the World Economic Forum in Davos. The dollar started the week with a 1% drop amid market uncertainty over Trump's tariff plans, with no concrete actions announced yet despite comments on potential levies for Canada, Mexico, China, and Europe. Traders are closely watching for policy clarity and remarks on geopolitical and economic issues. Upcoming central bank decisions, including from the Bank of Japan and the Federal Reserve, are also influencing market caution.

GBP/USD dipped 0.1% to 1.2304, while USD/NOK increased 0.2% to 11.3035 ahead of the Norges Bank's policy meeting. Norges Bank is expected to maintain rates, with key economic indicators not supporting an earlier rate cut and global growth concerns tied to U.S. protectionism suggesting room for action by Q1's end.

EUR/USD edged down 0.1% to 1.0404, with the euro weakening ahead of an expected ECB rate cut next week. Analysts noted the muted EUR/USD bounce this week, with lingering uncertainty over U.S. tariff policy keeping the dollar supported, echoing market dynamics seen during Trump's previous tariff regime.

In Asia, USD/JPY held steady at 156.47 as markets awaited the conclusion of the Bank of Japan's policy meeting today, with expectations of a rate hike supported by positive inflation and wage data. Meanwhile, USD/CNY rose 0.2% to 7.2877 as concerns over potential U.S. tariffs on Chinese imports pressured the yuan amidst fears of a broader impact on China's economy.

In the commodities markets, Oil prices steadied Friday but were set for weekly declines, with Brent down to \$78.20 and WTI to \$74.53, dropping 3.18% and 4.28%, respectively. The Gaza ceasefire eased war premiums, while President Trump's energy policies and tariff threats added market uncertainty. Declining U.S. crude inventories offered some support, with traders expecting prices to remain between \$76.50 and \$78 amid mixed signals.

On the other hand, gold prices remained steady on Thursday, near three-month highs, as the U.S. dollar weakened following President Trump's decision to delay immediate tariff impositions. Spot gold held at \$2,755.14, while February gold futures fell 0.3% to \$2,763.39 an ounce. Gold benefited from safe-haven demand and inflation concerns over Trump's policies, with weak dollar dynamics supporting prices. Fears over tariffs and global uncertainty also contributed to the rise in bullion prices. (investing.com).

**Indicative Cross Rates**

	Bid	Offer
<b>EUR/USD</b>	1.0251	1.0652
<b>GBP/USD</b>	1.2203	1.2607
<b>USD/ZAR</b>	16.4090	20.4148
<b>USD/AED</b>	3.6526	3.6936
<b>USD/JPY</b>	153.19	157.24

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