



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH SEPTEMBER 2024

DOMESTIC NEWS

Kenya's shilling was steady on Thursday, as the central bank bought dollars to stabilize fluctuations in the market and bolster their reserves. The East African currency traded at 128.50/129.50 to the U.S. dollar, the same as Wednesday's closing rate. The country has seen month-end dollar demand from various corporate and retail sectors. The shilling has been stable since early August. (Reuters).

According to the Ministry of Health, more than 1.5 million people have so far migrated to the Social Health Fund ahead of the October 1st deadline, with about 75, 000 people registering every day. The total number is still marginal compared to the 12 million members currently registered on the National Hospital Insurance Fund (NHIF). The Social Health Authority (SHA), which will replace NHIF, aims to provide affordable, accessible, and quality healthcare services. In addition to launching the SHA, the government is partnering with Safaricom to digitize healthcare services. "The NHIF has its loyal members whom we are banking on to automatically migrate to the new system, we have cleaned up the data and from our end out of the 12 million, around 9.2 million loyal members are expected to automatically move with us to the new system by Tuesday next week," Harry Kimtai, the Principal Secretary Medical Services, said noting that over 75,000 people are registering to the SHA portal every day. (The Kenya Wall Street).

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	124.00	134.00	124.00	134.00
GBP/KES	168.69	181.69	167.89	182.59
EUR/KES	139.15	153.05	139.45	155.95
AED/KES	31.12	44.12	33.12	44.62

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%	4.25%



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

INTERNATIONAL NEWS

The U.S. dollar edged lower Thursday, consolidating after a sharp rebound overnight ahead of more speeches from key Federal Reserve policymakers. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower to 100.565, following a near 0.6% jump on Wednesday, its biggest one-day gain since June 7. The U.S. dollar has stabilized Thursday after rebounding strongly overnight as traders reassessed just how aggressive future U.S. rate reductions would be in the wake of the Federal Reserve starting its rate-cutting cycle with a hefty 50 basis-point reduction earlier this month.

On the other hand, In Europe, EUR/USD edged slightly higher to 1.1132, after pulling back sharply from 1.1214, a high not seen since July of last year with the eurozone data calendar quiet. GBP/USD traded 0.1% higher to 1.3342, after climbing to 1.3430 on Wednesday for the first time since February 2022. USD/JPY rose 0.1% to 144.87, moving further away from its 2024 lows before the LDP elections on Friday, which are set to determine the country's next Prime Minister. Analysts expect a leadership change in Japan to stymie the Bank of Japan's plans to raise interest rates in the near-term.

In the commodities markets, Oil prices eased for a third day on Friday and were on track to fall for the week as investors focused on expectations of increased output from Libya and the broader OPEC+ group, although fresh stimulus from top importer China limited losses. Brent crude futures fell 20 cents, or 0.28%, to \$71.40 per barrel, while U.S. West Texas Intermediate crude futures were down 14 cents, or 0.21%, to \$67.53. On a weekly basis, Brent crude was set to shed 4%, while WTI was on track to slide 6%.

On the other hand, gold price treads water while within a striking distance of the new record high of \$2,686, as buyers take a breather and consolidate the weekly gains in the countdown to the US Personal Consumption Expenditures Price Index data release later Friday. Nothing changes for gold price from a short-term technical perspective, as it remains in extremely overbought territory, suggesting that a meaningful correction could be in the offing. The 14-day Relative Strength Index (RSI) is currently trading above the 76 level, warranting caution to buyers. If buyers regain lost momentum, acceptance above the record high of \$2,686 is critical to unleashing further upside toward the \$2,700 barrier, followed by the \$2,750 psychological mark. (FX Street).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0961	1.1362
GBP/USD	1.3176	1.3585
USD/ZAR	15.2279	19.2420
USD/AED	3.6527	3.6932
USD/JPY	144.22	148.24

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.