



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 09TH OCTOBER 2023

DOMESTIC NEWS

Kenya's shilling was marginally weaker on Friday and it was expected to remain under pressure due to increased demand for dollars from manufacturing and oil retailing companies. Commercial banks quoted the shilling at 148.70/90 per dollar, compared with Thursday's closing rate of 148.60/80.

Expenditure on imports from Russia and Ukraine climbed nearly fourfold in the first half of the year, official data showed on Thursday, driven largely by increased orders of wheat and maize grains. Kenyan traders splashed a record-high of nearly Sh50.97 billion on goods from the warring Eastern Europe neighbours, according to data published by the Kenya National Bureau of Statistics (KNBS). That represented a 369.98 percent jump over Sh10.84 billion in a similar period last year when the Russia-Ukraine war, which started in February 2022, had peaked with key trade routes blocked. Imports from Russia were valued at Sh43.30 billion in the six months, a four-fold climb over Sh8.72 billion in the prior year, while Ukraine's goods into Kenya were worth Sh7.66 billion compared with Sh2.12 billion. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	144.80	156.30	144.80	156.05
GBP/KES	177.54	189.39	176.74	189.94
EUR/KES	152.13	165.53	152.43	166.93
AED/KES	36.51	49.51	38.51	50.01

	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 2023 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar traded higher Friday, on course for another positive week, ahead of the release of the monthly U.S. nonfarm payrolls which could influence Federal Reserve thinking. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% higher at 106.279, below the 11-month high of 107.34 seen earlier in the week, but still on track for 12 straight weeks of gains. The September employment report is due later in the session, and is expected to show that 170,000 jobs were created in the month, down slightly from the prior month. The unemployment rate comes out at the same time, and is expected to tick lower to 3.7% from 3.8% in August. It's been a mixed week for labor market data, starting out with higher than expected job openings as of the end of August, then lower than expected private payroll numbers from ADP. Thursday's unemployment claims ticked up from the prior week but were slightly below expectations.

Elsewhere the EUR/USD rose 0.1% to 1.0535, remaining above this week's fresh low of 1.0448, but the euro remains on course for a record losing run of 12 successive weeks against the dollar. GBP/USD edged higher to 1.2193, with U.K. house prices falling 0.4% on the month in September, according to data from Halifax, an improvement from the fall of 1.8% the prior month. USD/JPY climbed 0.2% to 148.86, remaining below the 150 level seen earlier this week which prompted speculation that Japanese authorities could have intervened in the currency market to shore up the battered yen.

In the commodities markets, Oil prices were up more than \$3 a barrel in Asian trade on Monday as military clashes between Israel and the Palestinian Islamist group Hamas deepened political uncertainty across the Middle East and raised concerns about supplies. Brent crude rose \$3.10, or 3.67%, to \$87.68 a barrel by 0400 GMT, while U.S. West Texas Intermediate crude was at \$86.05 a barrel, up \$3.26, or 3.94%. Both benchmarks had jumped more than \$4 a barrel earlier, before easing slightly.

On the other end Gold hit seven-month lows Friday before rebounding to finish the day higher and the week lower. Since October began, it had been a torrid time for the yellow metal, with the potential for the Federal Reserve to hike rates again amplified by US jobs data which sent Treasury yields and the dollar rallying. The spot price of gold, more closely watched by some traders than futures, was at \$1,831.70, up \$11.44, or 0.6%, on the day. Spot gold hit a 7-month low of \$1,810.47 earlier in the day. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0352	1.0755
GBP/USD	1.1997	1.2403
USD/ZAR	17.3316	21.3501
USD/AED	3.6524	3.6934
USD/JPY	147.19	151.22

For more details, contact our Treasury staff Mary, Bernard, Joseph & Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/52/54. 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. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.