



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH OCTOBER 2023

DOMESTIC NEWS

Kenya's shilling eased to a fresh low against the dollar on Monday. The shilling traded at 148.80/149.00 against the greenback, compared with Friday's closing rate of 148.70/90, representing a 17.1% loss since the start of the year.

Kenya has started talks with the International Monetary Fund (IMF) and other development financial institutions for a new loan to help it settle the \$2.0 billion (Sh297.6 billion) Eurobond whose repayment is due in June 2024. The government is leaning to the multilateral institutions following tightness in the global markets which has rendered the issuance of fresh debt to refinance maturing debt an improbable route to settle the maturity which is eight months away. Kenya has so far tapped \$2.1 billion (Sh312.5 billion) from the ongoing programme with the IMF including the second largest drawdown of \$410.0 million (Sh61.0 billion) that was approved by the Fund's executive board following the conclusion of the fifth review mid this year. The fund extended Kenya's programme by 10 months to lapse in April 2025. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	144.90	156.40	144.90	156.15
GBP/KES	179.01	190.86	178.21	191.41
EUR/KES	153.01	166.41	153.31	167.81
AED/KES	36.54	49.54	38.54	50.04

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 edged higher Tuesday, supported by its safe-haven status as violence in the Middle East continued, but gains were limited after dovish comments from a couple of Fed officials. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% higher at 105.925. The Israeli military announced earlier Tuesday that more than 200 targets were struck overnight in Gaza as the country responded to the weekend attacks by the Palestinian group Hamas. Traders are bracing for a drawn-out conflict, with more than 1,500 lives already having been lost, with Israel likely to launch its first ground offensive in Gaza since 2014. This means that the dollar is likely to continue to see support. There are a number of Fed officials due to speak later Tuesday, ahead of the release of the minutes of the September monetary policy meeting on Wednesday and then Thursday's U.S. CPI data.

Elsewhere the EUR/USD fell 0.1% to 1.0561, ahead of the release of the Italian industrial production figures for August. GBP/USD fell 0.1% to 1.2222, AUD/USD dropped 0.1% to 0.6405 and NZD/USD fell 0.2% to 0.6011, with these risk-sensitive currencies still under pressure. USD/JPY has retreated from the 150 level even though the yen is slightly weaker Tuesday, at 148.89.

In the commodities markets, Crude prices were back in the positive in Wednesday's Asian session, trading a few cents above the lower close of the previous day, as the hunt for leads continued in a market left directionless by oil's all-too-brief rally on the latest Middle East crisis. US West Texas Intermediate, or WTI, crude for delivery in November was up 23 cents, or 0.3%, at \$86.20 per barrel . It had closed down 41 cents, or 0.5%, on Tuesday.

On the other end Gold prices eased on Tuesday after rising nearly 2% in the previous session as investors cautiously turned back to riskier assets and looked forward to further cues on the U.S. central bank's policy stance. Spot gold was down 0.1% at 1,858.64 per ounce ,after rising to a more than one week high earlier in the session. Spot silver fell 0.6% to \$21.75 per ounce, platinum lost 0.7% to \$879.71 and palladium gained 2.5% to \$1,168.66. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0403	1.0807
GBP/USD	1.2089	1.2490
USD/ZAR	17.0314	21.0454
USD/AED	3.6525	3.6936
USD/JPY	146.91	151.00

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