



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH OCTOBER 2023

DOMESTIC NEWS

Kenya's shilling (KES) slid to a fresh low against the dollar on Friday, as broad foreign exchange demand from all sectors outweighed thin supply. At 0950 GMT, the shilling was trading at 150.35/55 per dollar, compared with Thursday's closing rate of 150.20/40. Earlier in the session the shilling nudged a new all-time low of 150.40/60 per dollar, LSEG data showed. (Refinitiv)

Kenya has raised its budget deficit forecast for the 2023/24 (July-June) financial year to 5.3% of GDP from 4.4%, a summary of revised spending estimates presented to parliament showed on Friday. The wider projection was due to the weakening of the Kenyan shilling KES= against the dollar, Finance Minister Njuguna Ndung'u said, which drove up the projected amount of cash required to repay foreign debts during the period

(Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	146.40	157.90	146.40	157.65
GBP/KES	178.29	190.14	177.49	190.69
EUR/KES	153.94	167.34	154.24	168.74
AED/KES	36.95	49.95	38.95	50.45

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

Most Asian currencies moved little on Monday, while the dollar steadied as traders hunkered down before a string of central bank meetings this week, most notably the Federal Reserve and Bank of Japan. Persistent concerns over the Israel-Hamas war remained in play, as Israel launched a large-scale ground assault on Gaza. But signs of no immediate escalation in the conflict offered some relief to risk-driven markets.

The dollar index and dollar index futures firmed slightly in Asian trade, retaining most of their gains from last week as markets remained largely apprehensive of a Fed interest rate decision on Wednesday. The central bank is set to keep rates on hold but is likely to signal higher-for-longer rates as it continues to move against overheated inflation. The Japanese yen firmed slightly on Monday, moving below the 150 level after sinking to a one-year low last week.

Focus was squarely on the conclusion of a BOJ meeting on Tuesday, where the central bank is expected to potentially announce further changes to its yield curve control policy, as it grapples with high inflation and a severely weakened yen.

Beyond the Fed and the BOJ, the Bank of England is also set to decide on interest rates this week.

In the commodities markets, Gold bulls recaptured the \$2,000 an ounce territory that had eluded them the past two months as investors sought shelter in safe havens amid increasing worry that Israel would indeed push through with a full ground invasion of Gaza to flush out Hamas militants from the Palestinian land.

Gold's most active futures contract on New York's Comex, December, settled Friday's official trading session at \$1998.50 an ounce, up just \$1.10, or 0.05%. after an intraday high of \$2,017.70.

On the other hand, Oil prices fell in Asian trade on Monday, reversing a bulk of gains made in the prior session as anticipation of a Federal Reserve meeting and key economic readings this week spurred some profit-taking.

Traders remained watchful of the Israel-Hamas war, after Israel over the weekend launched a ground assault on Gaza. But signs of no immediate escalation in the war, as well as few actual disruptions to Middle Eastern oil supply kept concerns over the conflict somewhat limited.

Brent oil futures fell 0.6% to \$88.74 a barrel, while West Texas Intermediate crude futures fell 0.7% to \$84.94 a barrel by 21:12 ET (01:12 GMT). Both contracts lost about 3% last week. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0360	1.0760
GBP/USD	1.1920	1.2330
USD/ZAR	16.5055	20.6065
USD/AED	3.6526	3.6936
USD/JPY	147.55	151.75

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