



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 31ST OCTOBER 2023

DOMESTIC NEWS

Kenya's shilling KES= held steady on Monday but it was expected to lose ground to increased demand for dollars from general goods importers, amid a dearth of inflows. Commercial banks quoted the shilling at 150.45/65 per dollar, compared with Friday's closing rate of 150.30/50. The shilling hit a fresh low of 150.45/65 per dollar earlier in the session. (Refinitiv)

In other news, the Central Bank of Kenya (CBK) received bids worth KSh. 18.2 billion at the weekly treasury bills auction and accepted bids worth KSh 15.7 billion, a performance rate of 75.63%. The 91-day treasury bills received bids worth KSh 10.6 billion with CBK accepting KSh 8.1 billion out of KSh 4 billion.

The least attractive instrument was the 364-day treasury bill which received bids worth KSh 1.8 billion and accepted KSh 1.8 billion, a performance rate of 18.43% The 182-day treasury attracted KSh 5.7 billion out of KSh 10 billion on offer, with the CBK accepting the entire amount, a performance rate of 56.68%. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	146.60	158.10	146.60	157.85
GBP/KES	178.94	190.79	178.14	191.94
EUR/KES	154.68	168.08	154.98	169.48
AED/KES	37.00	50.00	39.00	50.50

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 in early European trade Monday, retaining last week's strength at the start of a week that includes several central bank meetings, most importantly by the Federal Reserve, as well as a slew of important economic data releases. At 03:20 ET (08:40 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% higher at 106.445. The index gained around 1% last week.

On other hand, EUR/USD fell 0.1% to 1.0554, with the single currency retreating after data showed inflation falling in the eurozone, just a few days after the European Central Bank ended the longest streak of interest rate rises in its 25-year history last week, leaving its main policy rate at 4%.

Data released early Monday showed that consumer prices rose 3.1% in October on an annual basis in the state of North Rhine Westphalia, Germany's most populous state, a drop from 4.2% the prior month. The Japanese yen climbed to a two-week peak against the dollar on Monday after a report said the Bank of Japan is considering tweaking its yield curve control policy to allow the 10-year Japanese government bond yield to rise above 1% when it concludes its meeting on Tuesday. The Nikkei report pushed the yen to 148.81 per dollar, its strongest level since Oct. 17. The greenback, which has been on the defensive all day, was last down 0.4% at 149.065 yen.

In the commodities markets, Oil prices rose in Asian trade on Tuesday, after a drop of more than 3% in the previous session, as worries over supply stirred by conflict in the Middle East blunted a dismal showing of China data. December Brent crude futures, set to expire on Tuesday, rose 36 cents, or 0.41%, to stand at \$87.81 a barrel by 0305 GMT. The more heavily traded January Brent crude futures climbed 29 cents, or 0.34%, to \$86.64 a barrel.

U.S. West Texas Intermediate crude increased 34 cents, or 0.41%, to \$82.65 a barrel.

On the other hand, Gold prices stayed close to the \$2,000 mark today, buoyed by investors seeking safe-haven assets due to the ongoing conflict in the Middle East and ahead of the U.S. Federal Reserve's policy meeting this week. Despite Israeli forces attacking Gaza's main northern city, spot gold experienced a minor dip of 0.4% to \$1,998.39 per ounce. On the other hand, U.S. gold futures saw a rise of 0.5% to \$2,008.10 per ounce. price increases of 2.5% and 2.1% respectively. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0392	1.0795
GBP/USD	1.1925	1.2335
USD/ZAR	16.5075	20.6075
USD/AED	3.6526	3.6936
USD/JPY	148.20	152.25

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.