



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH NOVEMBER 2023

DOMESTIC NEWS

The Kenyan shilling fell on Thursday, as dollar demand from the energy and manufacturing sectors exceeded meagre inflows. Commercial banks quoted the shilling at 151.65/85 per U.S. dollar, compared with Wednesday's close of 151.45/65. (Refinitiv)

Kenya will pay back part of the \$2 billion (Sh303 billion) Eurobond next month as it moves to calm a global financial market that has been jittery over the country's ability to meet its obligations next June. In his State of the Nation address to the joint sitting of Parliament yesterday, President William Ruto revealed that the country will pay its first instalment of the Eurobond amounting to \$300 million (Sh45.46 billion) by December, six months ahead of the due date. "Our efforts to stabilise the situation have yielded such progress that next month, in December, we will be able to settle the first \$300 million instalment of the \$2 billion Eurobond debt that falls due next year," said Dr Ruto. "I can now state with confidence that we will and shall pay the debt that has become a source of much concern to citizens, markets and partners," added the President in his second State of the Nation address. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	147.70	159.20	147.70	158.95
GBP/KES	181.45	193.30	180.65	193.85
EUR/KES	156.91	170.31	157.21	171.71
AED/KES	37.30	50.30	39.30	50.80

	Amounts > 10 million		Amounts >100,000	
	KES	USD	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 August 2023 – Date (Source: Reuters)

INTERNATIONAL NEWS

Most Asian currencies moved in a flat-to-low range on Friday, while the dollar held on to recent gains as comments from Federal Reserve officials saw traders reassess expectations of no more interest rate hikes. The dollar index was last up 0.35% on the day at 105.86. The dollar's rally in the wake of Powell's comments also came after a brief spike higher on the back of a weak auction of 30-year Treasury bonds, which sent yields higher across Treasury maturities. The dollar benefited from the run-up in Treasury yields over the past few months, but dropped last week as yields also fell sharply. This came after Powell was interpreted as striking a dovish tone after the Fed's two-day meeting, with softer-than-expected jobs data on Friday adding to a belief that the Fed has finished hiking interest rates. Some Fed officials this week have adopted a more hawkish outlook and stressed that further rate hikes remained on the table if inflation doesn't continue to come down closer to the Fed's 2% annual target.

Elsewhere the EUR/USD recovers recent losses recorded in the previous session, trading higher near 1.0670 during the Asian session on Friday. GBPUSD appreciated by 0.4% to \$1.2261 after initially dipping. This movement was influenced by the USD's strength against riskier currencies, which was tempered by dovish remarks from Federal Reserve officials.

In the commodities market, Gold prices fell slightly on Friday and were set for steep weekly losses after a string of hawkish comments from Federal Reserve officials saw markets rethink bets for a pause in more interest rate hikes. Diminishing safe haven demand, in the face of waning concerns over the Israel-Hamas war, also kept appetite for gold largely muted. Spot gold fell 0.1% to \$1,957.01 an ounce, while gold futures expiring in December fell 0.4% to \$1,961.90 an ounce. Both instruments were set to lose about 2% this week- their worst week since late-September.

On the other end Oil prices were little changed on Friday after rising in the previous session but are set to fall for a third week as concerns of supply disruptions from the Israel-Hamas conflict have ebbed allowing demand worries to reassert themselves. Brent crude futures for January were flat at \$80.01 a barrel, while the U.S. West Texas Intermediate (WTI) crude futures for December were at \$75.67, down 7 cents. Brent futures are down 5.7% this week while WTI has declined 5.9% since last week. The three weeks of declines are the longest weekly losing streak for both contracts since a four-week drop from mid-April to early May. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0468	1.0869
GBP/USD	1.2026	1.2426
USD/ZAR	16.6513	20.6664
USD/AED	3.6524	3.6934
USD/JPY	149.36	153.38

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