



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 15<sup>TH</sup> NOVEMBER 2023

### DOMESTIC NEWS

Kenya's shilling weakened on Tuesday to a new all-time low, weighed on by demand for dollars from manufacturing and oil retailing companies and low inflows. commercial banks quoted the shilling at 151.80/152.00 per dollar compared with Friday's closing rate of 151.55/75. (Refinitiv)

Kenyans have a reason to smile after the price of super petrol in this month's review remained unchanged at Sh217.36 per litre in Nairobi while diesel and kerosene dropped by Sh2. The Energy and Petroleum Regulatory Authority (Epra) Director General Daniel Kiptoo noted that consumers will not bear the burden despite the average landed cost of imported super petrol having increased by 2.81 per cent per cubic metre in October, diesel by 3.28 per cent and kerosene by 6.31 per cent. This means a litre of diesel in Nairobi will now retail at Sh203.47 effective midnight, Tuesday, November 14 to December 14, 2023. (Business Daily)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	148.00	159.50	148.00	159.25
GBP/KES	185.87	197.72	185.07	198.27
EUR/KES	160.45	173.85	160.75	175.25
AED/KES	37.38	50.38	39.38	50.88

	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 August 2023 – Date (Source: Reuters)

### INTERNATIONAL NEWS

The dollar fell more than 1% against major currencies on Tuesday after U.S. consumer price data showed the pace of inflation moderating further in October, increasing the odds that the Federal Reserve is done hiking interest rates. U.S. consumer prices were unchanged last month amid lower gasoline prices, the Labor Department's Bureau of Labor Statistics (BLS) said, following a 0.4% rise in September. In the 12 months through October, the consumer price index (CPI) climbed 3.2% after rising 3.7% in September, BLS said. The dollar immediately tumbled on the report's release and Treasury yields plunged. The benchmark 10-year fell below 4.5%, removing a major support to the dollar's strength this year. The dollar index, a measure of the U.S. currency against six peers, slid 1.55% to 103.980, on track to its biggest single-day percentage decline since Nov. 11, 2022. The U.S. currency also was poised for its largest declines since November 2022 against the euro and British pound.

Elsewhere the GBP/USD rose 0.2% to 1.2296 after data released earlier Tuesday showed that British wages grew slightly less fast in the three months to September but remained close to their record pace. EUR/USD rose 0.1% to 1.0707 ahead of the release of the latest quarterly eurozone growth numbers, which should illustrate the impact of the European Central Bank prolonged rate-hiking cycle. USD/JPY edged lower to 151.64, with the Japanese yen hovering around its weakest level in a year against the greenback. USD/CNY rose 0.1% to 7.2942, with the yuan remaining weak after data showed a further slowdown in lending activity in the country through October.

In the commodities market, Oil prices rose on Wednesday as China's factory output and retail sales beat expectations, a day after the International Energy Agency (IEA) raised its oil demand growth forecast for this year. Brent futures rose 20 cents, or 0.2%, to \$82.67 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 15 cents, also 0.2%, to \$78.28. The U.S. Energy Information Administration (EIA) will release its first oil inventory report in two weeks on Wednesday.

On the other end Gold prices fell below key levels in Asian trade on Tuesday, as traders pivoted into the dollar before U.S. inflation data due later in the day, which is widely expected to determine the path of interest rates. Spot gold fell 0.1% to \$1,944.71 an ounce, while gold futures expiring in December fell 0.1% to \$1,948.25 an ounce. (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0676	1.1078
GBP/USD	1.2290	1.2692
USD/ZAR	16.2223	20.2397
USD/AED	3.6526	3.6936
USD/JPY	148.60	152.61

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.