



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 1ST NOVEMBER 2023

DOMESTIC NEWS

Kenya's shilling KES= weakened on Tuesday on the back of end-month demand for dollars from fuel-retailing companies. At 0903 GMT, commercial banks quoted the shilling at 150.65/85 per dollar, compared with Monday's closing rate of 150.50/70.

In other news, the banking sector wants Parliament to review a new law requiring firms in sectors with a high risk of under-declaring taxes to pay dues every five days. The Kenya Bankers Association (KBA) told Parliament that the enactment of the Finance Act, of 2023 has created administrative challenges for commercial lenders who are required to compute Withholding Tax daily and remit the dues every five days. The National Assembly's Finance and National Planning committee chaired by Molo MP Kuria Kimani had in July amended the Excise Duty Act through the Finance Bill, 2023 to allow the taxman to impose a five-day deadline for remittance of excise duty on firms. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	146.75	158.25	146.75	158.00
GBP/KES	179.03	190.88	178.23	191.43
EUR/KES	154.41	167.81	154.71	169.21
AED/KES	37.04	50.04	39.04	50.54

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 retreated on Wednesday, while the dollar sat on strong gains as markets hunkered down before the conclusion of a Federal Reserve meeting later in the day. Weak purchasing managers index (PMI) data from China also kept sentiment towards regional markets frail, as the region's biggest economy and trading hub saw sustained economic weakness through October. The dollar index and dollar index futures rose slightly in Asian trade after a strong overnight rally against a weaker yen.

Markets were focused squarely on the conclusion of a Fed meeting later in the day. While the central bank is expected to hold rates, it is also set to reiterate its higher-for-longer stance- a scenario that bodes well for the dollar but poorly for Asian markets. Elsewhere traders remained on edge over any potential intervention in currency markets by Japanese authorities, as the yen plummeted to a one-year low after the Bank of Japan disappointed markets with only minimal changes to its yield curve control policy.

The Japanese currency slid 1.7% on Tuesday to 151.77- its weakest level against the dollar since late-October 2022. But the yen rose 0.2% on Wednesday morning to 151.40, recovering some ground after top currency official Masato Kanda said that the government was ready to act against "one-sided" moves in currency markets.

Gold prices fell further on Wednesday as uncertainty grew before the conclusion of a Federal Reserve meeting and a key Treasury announcement later in the day, while weak economic data from China dented copper prices.

Spot gold fell 0.4% to \$1,975.99 an ounce, while December gold futures fell 0.5% to \$1,984.45 an ounce by 00:23 ET (04:23 GMT).

Oil prices edged up in early Asian trade on Wednesday ahead of key global central bank meetings this week including the U.S. Federal Reserve, as the market also closely watched the latest developments in the Israel-Hamas conflict.

Brent January crude futures rose 0.3%, or 28 cents, to \$85.30 a barrel by 0330 GMT, after falling more than 1% on Tuesday. Brent December futures settled 4 cents lower at \$87.41 a barrel at the contract's expiry on Tuesday. U.S. West Texas Intermediate crude futures gained 0.2%, or 16 cents, to \$81.02 a barrel after losing about 1.6% in the previous session. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0395	1.0800
GBP/USD	1.1930	1.2340
USD/ZAR	16.5085	20.6085
USD/AED	3.6526	3.6936
USD/JPY	149.25	153.25