



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24<sup>TH</sup> NOVEMBER 2023

### DOMESTIC NEWS

The Kenyan shilling edged lower in a quiet session on Thursday. At 1012 GMT, commercial banks quoted the shilling at 152.70/90 per U.S. dollar, compared with Wednesday's close of 152.60/80. Traders said foreign-currency inflows were thin relative to demand. The shilling has lost more than 19% against the dollar since the start of the year, touching a new all-time low of 152.75/95 earlier on Thursday. (Refinitiv).

In other news locally Central Bank of Kenya (CBK) has floated a 6.5-year infrastructure bond worth Kes 25 billion that will be on sale between 21st November and 6th December 2023. Infrastructure bonds are used by the Government for specified infrastructure projects. These bonds typically see a lot of market interest because returns from them are tax-exempt. According to the CBK prospectus, bids will be priced at the average of the accepted bids for the treasury bonds auction value dated 31st November 2023 and adjusted for accrued interest. (Kenya wall street)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	148.85	163.85	148.85	163.35
GBP/KES	187.63	200.63	186.83	201.53
EUR/KES	161.74	175.64	162.04	178.54
AED/KES	37.62	50.62	39.62	51.12

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

Asian currencies kept to a tight range on Friday, while the dollar moved little as a U.S. market holiday made for scant trading, although focus now turned to key business activity readings due later in the day. The greenback however saw some strength in recent sessions, following strong U.S. labor data and some hawkish signals from the minutes of the Fed's recent meeting. Weak purchasing managers index (PMI) readings from the euro zone and Japan provided negative cues to regional markets, as the outlook for the global economy weakened. Trading volumes were also muted on account of a U.S. holiday.

On the other hand, the Japanese yen rose 0.1%, as data showed that consumer inflation grew slightly less than expected in October. The reading, coupled with weak PMI data for November, give the Bank of Japan more headroom to maintain its ultra-dovish policy. The dollar index and dollar index futures moved little in Asian trade on Friday, after U.S. markets were closed in the prior session for Thanksgiving.

In the commodities market, Brent crude futures edged down on Friday, extending losses from the previous session, as traders speculated on whether OPEC+ would come to an agreement on further production cuts.

Brent crude futures inched down by 6 cents, or 0.07%, to \$81.36 at 0400 GMT, after settling down 0.7% in the previous session.

U.S. West Texas Intermediate crude slid 66 cents, or 0.86%, to \$76.44, from its Wednesday close. There was no settlement for WTI on Thursday as it was a U.S. public holiday. Both contracts are on track to mark their first weekly rise in five, supported by expectations that OPEC+, led by Saudi Arabia, could reduce supply to balance the markets into 2024.

Gold prices exhibited narrow trading as investors processed the latest cues from the Federal Reserve and anticipated the release of flash US PMI data. The precious metal found immediate support in the range of \$1,989-\$1,988, with additional backing from the 200-day Simple Moving Average (SMA) near \$1,940.

This cautious trading follows a modest rise on Thursday, where gold edged higher but did not surpass the critical threshold of \$2,000 per ounce. (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0705	1.1025
GBP/USD	1.2341	1.2745
USD/ZAR	16.6620	20.6696
USD/AED	3.6524	3.6934
USD/JPY	147.25	151.25

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.