



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 27<sup>TH</sup> NOVEMBER 2023

### DOMESTIC NEWS

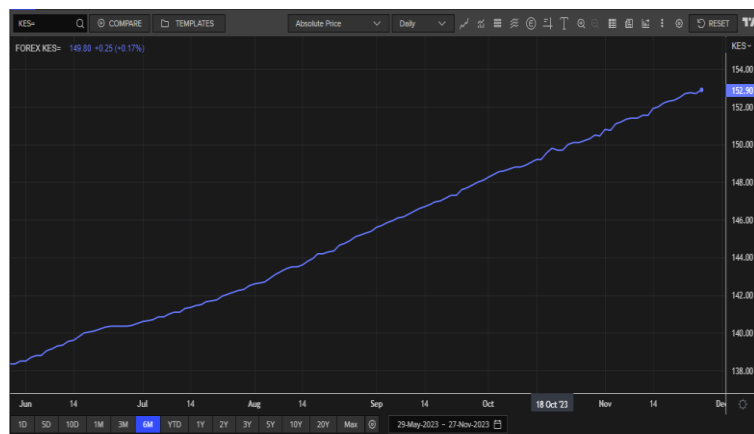
The Kenyan shilling edged lower on Friday on foreign exchange demand from fuel importers and companies seeking to pay off loans taken in dollars, traders said. At 0906 GMT, commercial banks quoted the shilling at 152.85/05 per U.S. dollar, compared with Thursday's close of 152.75/95. The shilling has lost more than 19% against the dollar since the start of the year. (Refinitiv).

In other news locally Food production could improve after President William Ruto signed into law the supplementary budget, which includes an increased budget for subsidized fertilizer. Infrastructure heavy departments such as roads, energy, and housing all saw their budgets revised downwards while service departments like education, crop production and health saw their budgets revised upwards. With the shifting global economy and a weakening shilling, KSh145 Billion will be used in the repayment of interests for domestic and foreign loans. (Kenya wall street)

### Indicative Forex Rates

|         | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 148.95   | 163.95    | 148.95 | 163.45  |
| GBP/KES | 188.83   | 201.83    | 188.03 | 202.73  |
| EUR/KES | 162.55   | 176.45    | 162.85 | 179.35  |
| AED/KES | 37.65    | 50.65     | 39.65  | 51.15   |

| 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%            |



### INTERNATIONAL NEWS

Most Asian currencies weakened slightly this morning, while the dollar steadied as traders hunkered down before a string of key economic readings due this week. The Japanese yen was among the better performers for the day, rising 0.4%. Japanese industrial production and retail sales data is also on tap this week.

The Australian dollar fell 0.2%, with focus also turning to key inflation and retail sales data due later in the week. Reserve Bank of Australia Governor Michele Bullock is also set to speak on this week, after she warned that inflation will likely remain sticky in the coming months.

These currencies had marked strong gains through November, amid growing optimism that the U.S. Federal Reserve was done raising interest rates. This trend had also battered the dollar, putting it close to three-month lows. The dollar index and dollar index futures moved little in Asian trade on Monday, as markets awaited key economic readings from the country this week. PCE price data- the Fed's preferred inflation gauge- is due on Thursday, as is a second reading on gross domestic product for the third quarter. Any signs of cooling inflation and economic growth are expected to further bets on a less hawkish Fed, denting the dollar and benefiting Asian markets.

In the commodities market, Oil prices slipped on Monday, with Brent falling toward \$80 a barrel, as investors awaited the OPEC+ meeting later this week for an agreement to curb supplies into 2024. Brent crude futures fell 37 cents, or 0.5%, to \$80.21 a barrel by 0231 GMT, while U.S. West Texas Intermediate crude futures were at \$75.18 a barrel, down 36 cents, or 0.5%. Both contracts rose slightly last week, their first weekly gain in five, underpinned by expectations that Saudi Arabia and Russia could roll over voluntary supply cuts into early 2024 and OPEC+ might discuss plans to reduce further.

Gold prices came close to a one-month high on Monday, rising past key levels as caution before a string of key economic readings fed safe haven demand for the yellow metal. Weakness in the dollar, amid growing bets that the Federal Reserve was done raising interest rates, also benefited the yellow metal, as did signs of weakening economic conditions across the globe. Spot gold rose 0.5% to \$2,013.69 an ounce, while gold futures expiring in December rose 0.6% to \$2,014.35 an ounce by 00:15 ET (05:15 GMT). Both instruments were now comfortably above the \$2,000 level after flitting with the level for the past week. (Reuters)

### Indicative Cross Rates

|         | Bid     | Offer   |
|---------|---------|---------|
| EUR/USD | 1.0749  | 1.1145  |
| GBP/USD | 1.2312  | 1.2850  |
| USD/ZAR | 16.8250 | 20.8350 |
| USD/AED | 3.6524  | 3.6934  |
| USD/JPY | 147.25  | 151.85  |

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