



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 28<sup>TH</sup> NOVEMBER 2023

### DOMESTIC NEWS

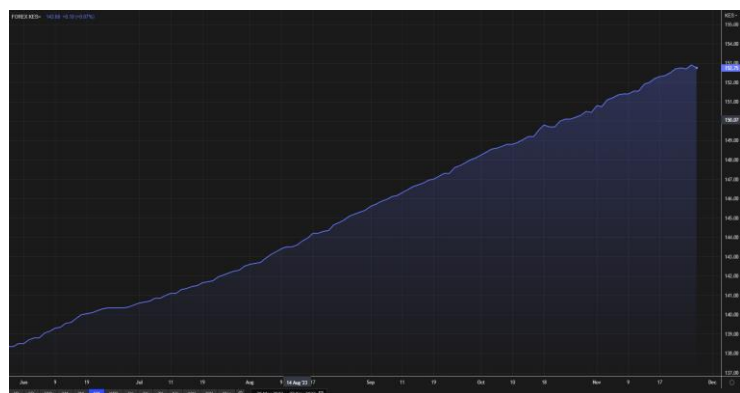
The Kenyan shilling was weaker on Monday as foreign exchange demand from corporates continued to weigh on the currency. At 0807 GMT, commercial banks quoted the shilling at 153.00/153.20 per U.S. dollar - another record low - compared with Friday's close of 152.70/90. The shilling is expected to continue its downward path and could reach 160 to the dollar in the weeks ahead before stabilizing around that level. The shilling has lost over 19% against the dollar since the start of the year. (Refinitiv).

In other news locally the government has earmarked 35 state owned enterprises for outright sale or offering to the public through the Nairobi Securities Exchange. Speaking during African Securities Exchange Association (ASEA) conference in Nairobi, the President noted that despite the reforms, macroeconomic environment has weighed on the growth of the markets making contribution of security exchanges marginal to economic development. *(Kenya wall street)*

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	149.00	164.00	149.00	163.50
GBP/KES	189.15	202.15	188.35	203.05
EUR/KES	162.67	176.57	162.97	179.47
AED/KES	37.66	50.66	39.66	51.16

	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

Most Asian currencies advanced this morning amid growing conviction that the Federal Reserve was done raising interest rates, which in turn put the dollar at a three-month low. The dollar index and dollar index futures fell slightly in Asian trade, extending overnight losses after sinking to three-month lows at the start of the week. The greenback was walloped by growing bets that the Fed will raise interest rates no more, and is likely to begin trimming rates in 2024. Still, gains in most regional currencies were limited as traders remained wary before a string of key economic readings this week. The PCE price index- the Fed's preferred inflation gauge- will be a major point of focus this week.

The Japanese yen was among the better performers for the day, rising 0.3% as traders bet that the Bank of Japan will pivot away from its ultra-dovish stance in 2024. Sticky Japanese inflation data released last week furthered this notion.

Easing fears of the Fed helped the yen recover further from the 150 level. Focus is now on industrial production and retail sales readings from Japan, due later in the week.

In the commodities market, Oil prices rose slightly on Tuesday due to a weak dollar, and expectations that the OPEC+ producer group would deepen and extend output cuts due to fears demand would remain subdued. Brent crude futures were up 11 cents, or 0.1%, at \$80.09 a barrel at 0510 GMT. U.S. West Texas Intermediate (WTI) crude futures were trading 4 cents higher, also 0.1%, at \$74.90 a barrel. Both benchmarks pared some gains after rising sharply in early Asian trade.

Gold prices rose slightly in Asian trade on Tuesday, sticking to a six-month high amid growing bets that the Federal Reserve will not raise interest rates any further. The dollar sank to three-month lows in overnight trade, benefiting gold and other metal prices on bets of no more Fed rate hikes. But the greenback somewhat steadied in Asian trade, with more Fed cues also on tap this week. Spot gold was flat around \$2,015.57 an ounce, while gold futures expiring in December rose 0.2% to \$2,015.35 an ounce by 00:18 ET (05:18 GMT). Both instruments were at their highest level since mid-May. (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0746	1.1149
GBP/USD	1.2427	1.2870
USD/ZAR	16.8275	20.8375
USD/AED	3.6524	3.6934
USD/JPY	146.27	150.25

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.