



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 3RD NOVEMBER 2023

DOMESTIC NEWS

Kenya's shilling KES= weakened on Thursday due to persistent demand for dollars from manufacturing and fuel retailing companies. At 0728 GMT, commercial banks quoted the shilling at 150.95/151.15 per dollar, compared with Wednesday's closing rate of 150.80/151.00 (Refinitiv)

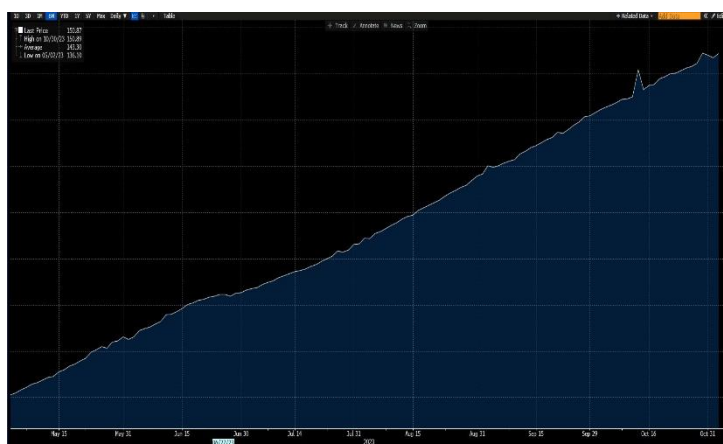
This week, the Capital Markets Authority (CMA) disclosed it would license a new class of market participants — broker dealers — with the view of improving liquidity on the Nairobi Securities Exchange (NSE) The proposed market makers would participate in the market at all times, buying stocks while selling securities.

Market makers make a return by earning a spread between the bid representing what one is willing to pay for a security, and the ask, which is what someone is willing to accept as payment. (Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	147.10	158.60	147.10	158.35
GBP/KES	180.35	192.20	179.55	192.75
EUR/KES	155.67	169.07	155.97	170.47
AED/KES	37.14	50.14	39.14	50.64

	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

The dollar fell across the board on Thursday, as investors' appetite for riskier currencies grew as they bet the Federal Reserve is done raising interest rates after holding them steady in the previous session. The Fed left interest rates unchanged on Wednesday as policymakers struggled to determine whether financial conditions may be tight enough already to control inflation, or whether an economy that continues to outperform expectations may need still more restraint. The dollar index, which measures the currency's strength against a basket of six rivals, was 0.3% lower at 106.14. Sterling, meanwhile, rose after the Bank of England kept rates at a 15-year high and stressed that it did not expect to start cutting them any time soon. The pound rose as much as 0.6% against the dollar to \$1.2225, its highest level in 1-1/2 weeks after the BoE voted 6-3 to hold rates steady at 5.25%, while ruling out rate cuts anytime soon. Sterling was last up 0.4% at \$1.2201.

Against the yen, the dollar fell 0.3% to 150.44, off a one-year high touched earlier this week. The yen has been struggling for traction, even as the Bank of Japan on Tuesday made another relaxation of its yield curve control policy. A fall to a one-year low of 151.74 per dollar and 15-year low of 160.83 per euro after the BoJ's announcement had traders on watch for possible intervention to prop up the currency.

In the commodities market, Oil prices steadied in Asian trade on Friday after a weakened dollar and easing concerns over the Israel-Hamas war spurred wild swings over the prior sessions, although they were still set to close lower for a second straight week. Brent oil futures rose 0.1% to \$86.85 a barrel, while West Texas Intermediate crude futures rose 0.1% to \$86.85 a barrel by 20:47 ET (00:47 GMT).

Gold prices rose on Thursday, encouraged by a weaker dollar and Treasury yields after the Federal Reserve struck a less hawkish tone than expected, although gains in the yellow metal were limited by increased risk appetite. The central bank left interest rates on hold, as widely expected, on Wednesday. But comments from Fed Chair Jerome Powell saw markets pricing in a diminished chance of any more rate hikes, especially as the Fed chair acknowledged that financial conditions had tightened substantially in recent months. Spot gold rose 0.2% to \$1,986.07 an ounce, while gold futures expiring in December rose 0.3% to \$1,993.70 an ounce by 00:52 ET (04:52 GMT).

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0465	1.0825
GBP/USD	1.2025	1.2430
USD/ZAR	16.5075	20.6075
USD/AED	3.6526	3.6936
USD/JPY	148.25	152.30

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.