



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 08TH NOVEMBER 2023

DOMESTIC NEWS

The Kenyan shilling slipped on Tuesday, as broad-based foreign-currency demand outstripped thin inflows. Commercial banks quoted the shilling at 151.20/40 per U.S. dollar, compared with Monday's close of 151.10/30. (Refinitiv)

Kenya has won the bid to host an electronic platform which will enable traders on the continent to settle deals in respective national currencies, placing it in the front line of a push by African countries to reduce reliance on the US dollar. President William Ruto announced Tuesday that the pan-African payment and settlement system (Papss) will be domiciled in Kenya. The payment platform will be adopted by African Union's Assembly of Heads of State and Government next February, the President told a gathering in Nairobi.

(Business Daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	147.30	158.80	147.30	158.55
GBP/KES	181.86	193.71	181.06	194.26
EUR/KES	156.87	170.27	157.17	171.67
AED/KES	37.19	50.19	39.19	50.69

	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 kept to a tight range on Wednesday, while the dollar maintained a recent rebound after several Federal Reserve officials warned against betting that the central bank was done with its interest rate hikes. This put an upcoming speech by Fed Chair Jerome Powell squarely in focus, with markets seeking more cues on U.S. monetary policy. The dollar index and dollar index futures both rose slightly in Asian trade on Wednesday, extending a rebound from six-week lows as several Fed officials flagged the potential for more interest rate hikes. Fed officials including Governor Michelle Bowman and Minneapolis President Neel Kashkari warned that sticky inflation and resilience in the U.S. economy could call for more rate increases from the central bank. The Fed had offered a seemingly less hawkish outlook on U.S. interest rates last week, which saw traders pricing in a nearly 100% chance that the central bank will not raise interest rates any further. But these bets appeared to have tapered off this week.

Elsewhere the EUR/USD pair experienced a decline in the American session on Tuesday, stagnating near the 1.0700 benchmark due to diminished buyer interest. The USDJPY fell 0.1%, remaining well above the 150 level to the dollar. Australian dollar rose 0.1%, recovering slightly after somewhat dovish signals from the Reserve Bank of Australia saw the currency tumble nearly 1% on Tuesday. Indian rupee was flat but hovered near record lows.

In the commodities market, Gold prices moved little in Asian trade on Wednesday, but were nursing steep losses over the past two sessions as hawkish comments from Federal Reserve officials saw traders reconsider expectations for more interest rate hikes. This put an upcoming speech by Fed Chair Jerome Powell squarely in focus, after his comments at a meeting last week were seen as somewhat less hawkish by markets. Spot gold fell 0.1% to \$1,967.78 an ounce, while gold futures expiring in December were flat at \$1,973.85 an ounce.

On the other end Oil prices stuttered on Wednesday after sliding to their lowest in over three months in the previous session, weighed down by concerns over waning demand in the world's top oil consumers, the United States and China. Brent crude futures ticked up slightly by 4 cents to \$81.65 a barrel, while U.S. crude futures dipped 14 cents to \$77.24 a barrel. Both declined to the lowest since July 24 on Tuesday.

(Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0484	1.0888
GBP/USD	1.2074	1.2480
USD/ZAR	16.3700	20.3778
USD/AED	3.6526	3.6936
USD/JPY	148.63	152.63

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