

A subsidiary of Dubai Islamic Bank PJSC TREASURY MARKET UPDATE 01ST DECEMBER 2023

DOMESTIC NEWS

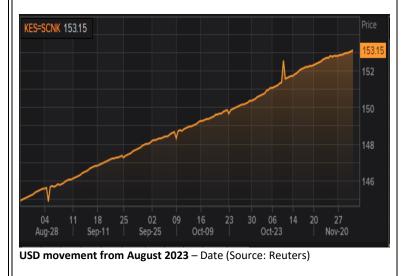
The Kenyan shilling was unchanged on Thursday in a thin trading session. The shilling is down over 19% against the dollar this year and has set repeated record lows. Commercial banks quoted the shilling at 153.10/153.30 per U.S. dollar, the same level as Wednesday's close. (Refinitiv).

The Kenya Shilling's exchange rate depreciation against the US dollar and a tough business environment have continued to drive more listed firms, especially those that rely on imported raw materials, to issue profit alerts. Figures from Kenya's Purchasing Managers Index (PMI) show a decline in business condition in 2023, with the averaging 48.70 in H1'23 from 49.25 in H1'22. The PMI is expected to remain below the 50-point threshold in the short term on the back of high input costs and depreciation of the shilling, but gradually improve in the long term. *(Kenya wall street)*

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	149.25	164.25	149.25	163.75
GBP/KES	189.75	202.75	188.95	203.65
EUR/KES	162.28	176.18	162.58	179.08
AED/KES	37.73	50.73	39.73	51.22

Ndung'u. (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

The U.S. dollar edged higher in early European trade Thursday but remained near a three-month low ahead of a key reading of U.S. inflation later in the session. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.4% higher to 103.120, just above the 102.46 level it hit on Wednesday, its lowest since Aug. 10. The dollar has received something of a boost after data showed the U.S. economy grew faster in the third quarter than initially reported. However, it's still down 3.2% in November, its worst month in a year, on growing expectations the Fed will cut interest rates in the first half of 2024. These expectations were boosted earlier this week after Fed Governor Christopher Waller, widely seen as a hawkish voice at the central bank, flagged the possibility of a rate cut in the months ahead, if the recent decline in inflation continues. The core reading, which strips out food and fuel costs and is considered a better gauge of underlying inflation, is expected to have risen 3.5% on a year-over-year basis, a drop from 3.7% the prior month, and the lowest since mid-2021.

EUR/USD fell 0.4% to 1.0924, with the euro retreating ahead of the release of the latest eurozone inflation data. GBP/USD fell 0.2% to 1.2671, retreating further from the three-month top of 1.2733 seen earlier in the week. USD/JPY traded marginally lower to 147.18, with the yen receiving little support from data that showed retail sales grew less than expected in October, while industrial production remained muted. USD/CNY edged lower to 7.1295, after a stronger midpoint fix from the People's Bank of China.

In the commodities market, Oil prices extended losses on Friday, and looked set for a sixth straight week of declines, as voluntary oil output cuts agreed by OPEC+ producers fell short of market expectations. Brent crude futures for February fell 39 cents, or 0.5%, to \$80.47 a barrel. U.S. West Texas Intermediate crude futures fell 23 cents, or 0.3%, to \$75.73.

Gold prices Gold prices fell slightly on Thursday as a recent rally in the yellow metal appeared to have paused, as markets awaited more cues on U.S. monetary policy from a key inflation reading due later in the day. Spot gold fell 0.1% to \$2,042.10 an ounce, while gold futures expiring in December fell 0.2% to \$2,044.10 an ounce. Both instruments were up between 2.5% and 3.1%, their second straight month of strong gains. (Reuters)

Indicative Cross Rates					
Bid	Offer				
EUR/USD	1.0706	1.1110			
GBP/USD	1.2442	1.2845			
USD/ZAR	16.8126	20.8240			
USD/AED	3.6518	3.6927			
USD/JPY	146.03	150.05			

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