



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5TH DECEMBER 2023

DOMESTIC NEWS

The Kenyan shilling slid to an all-time low against the dollar on Monday, data showed, amid a foreign exchange crunch. At 0937 GMT, LSEG data showed the shilling trading at 153.20/40 per U.S. dollar, compared to 153.15/35 at the close of Friday's session. (Refinitiv).

In other local news Banks posted a 4.9 percent decline in pre-tax profit generated from the Kenyan market in the nine months ended September as loan defaults soared to levels last seen 16 years ago. Latest data from the Central Bank of Kenya (CBK) shows the sector's pre-tax profit in the period dropped to Sh177.8 billion from Sh187 billion a year earlier, marking a rare occurrence for the industry that has generally been enjoying growth in profits. The decline in profit, coming amid the economic hardships that have gripped borrowers in Kenya, is in contrast with a similar period last year when gross earnings rose by 28.5 percent from Sh145.5 billion recorded in the nine months to September 2021. (*Business daily*)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	149.30	164.30	149.30	163.80
GBP/KES	189.73	202.73	188.93	203.63
EUR/KES	161.31	175.21	161.61	178.11
AED/KES	37.75	50.75	39.75	51.25

(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 weakened on Tuesday tracking a string of middling economic readings from the region, with the Australian dollar falling sharply after the Reserve Bank kept rates unchanged and offered scant cues on monetary policy. The Australian dollar was the worst performer for the day, down 0.6% after the RBA held rates steady at 4.35%. Governor Michele Bullock said that the bank needed more economic cues before considering any more changes to monetary policy but warned that inflation risks persisted. The Japanese yen on the other hand steadied above 147, relinquishing some recent gains after data showed inflation in Japan's capital fell more than expected in November. Easing inflation gives the Bank of Japan less impetus to immediately begin tightening its ultra-loose policy. In general the broader Asian currencies were dented by an overnight rebound in the dollar, with greenback recovering some lost ground in anticipation of key nonfarm payrolls data this Friday. The dollar index and dollar index futures were flat in Asian trade after jumping nearly 0.6% overnight.

On the other hand, in the commodities markets, gold prices rose slightly in Asian trade on Tuesday, steadying after racing to record highs earlier in the week as persistent expectations of a less dovish Federal Reserve and increased haven demand supported the yellow metal. The yellow metal saw an abnormally large jump in early trade on Monday, with spot prices briefly hitting a lifetime high of \$2,148.78 an ounce before tumbling sharply from the peak to settle well above the coveted \$2,000 an ounce level. Spot gold rose 0.2% to \$2,032.60 an ounce, while gold futures expiring February rose 0.4% to \$2,050.35 an ounce by 00:19 ET (05:19 GMT)

Oil prices were little changed on Tuesday amid uncertainty over voluntary output cuts by OPEC+, continued tension in the Middle East and weak economic data from the U.S. The prices had declined in the previous trading session as traders doubted that supply cuts by OPEC+ would have a significant impact, and as a stronger U.S. dollar weighed on commodity prices in general. Brent crude futures ticked down 1 cent to \$78.02 a barrel by 0402 GMT, while U.S. West Texas Intermediate crude futures were up 5 cents at \$73.09 a barrel. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0638	1.1042
GBP/USD	1.2434	1.2840
USD/ZAR	16.6460	20.6520
USD/AED	3.6518	3.6927
USD/JPY	144.40	148.50

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.