



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 6<sup>TH</sup> DECEMBER 2023

### DOMESTIC NEWS

The Kenyan shilling traded unchanged against the dollar on Tuesday, data showed. At 1011 GMT, LSEG data showed the shilling trading at 153.20/40 per U.S. dollar, the same as the close of Monday's session.

(Refinitiv).

In other local news Kenya's listed banks raised their provisions for bad debt by 46 percent to Sh69 billion, a move that contributed to slowing down their earnings in the nine months ended September.

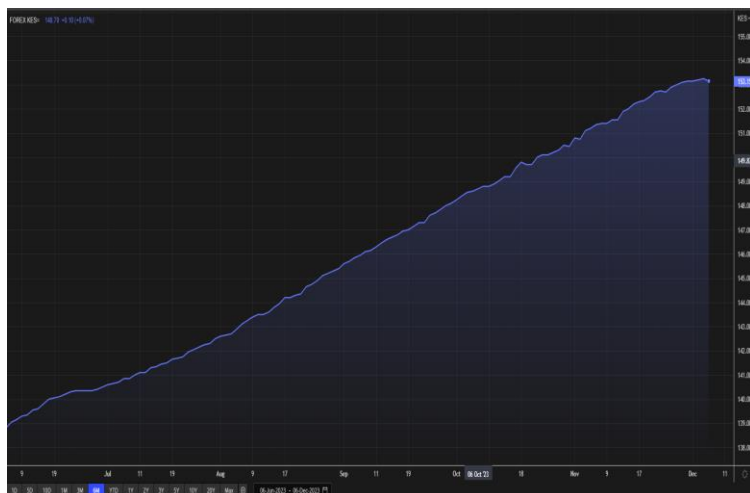
The institutions –Equity Group, KCB Group, Co-operative Bank of Kenya, NCBA Group, DTB Group, I&M Group, Absa Bank Kenya, Standard Chartered Bank Kenya, HF Group and Stanbic Bank (the main subsidiary of Stanbic Holdings)— had combined provisions of Sh69 billion in the review period. The amount rose from Sh47.25 billion a year earlier, with the lenders responding to a 32.6 percent jump in defaults to Sh583.9 billion in an environment characterized by rising interest rates and high cost of living as well as doing business. (*Business daily*)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	149.35	164.35	149.35	163.85
GBP/KES	189.32	202.32	188.52	203.22
EUR/KES	160.32	174.53	160.93	177.43
AED/KES	37.76	50.76	39.76	51.26

(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 rose slightly on Wednesday as weak U.S. labor data spurred continued bets on early interest rate cuts by the Federal Reserve, helping investors look past persistent concerns over China's economy. JOLTs data showed U.S. job openings declined in October, pushing up hopes for a prolonged cooling in the labor market which could limit the space the Fed has to keep rates higher for longer. The reading pulled down Treasury yields and comes just a few days before closely watched nonfarm payrolls data. The dollar index and dollar index futures fell 0.1% each in Asian trade, but were trading comfortably above recent lows.

In the other hand The USD/JPY currency pair showcased resilience in Asian session on Wednesday, stabilizing above its three-month lows in the mid-147 range. This steadiness comes as US Treasury yields experience slight increases and the Bank of Japan's (BoJ) Deputy Governor Ryozi Himino maintains a dovish stance, emphasizing the continuation of easy monetary policies until Japan's price stability targets are achieved.

Finally the Australian dollar jumped 0.7%, recovering from two days of steep losses even as data showed Australia's economy grew less than expected in the third quarter, hit chiefly by declining export demand in China. But local demand and spending remained robust.

In the commodities market, Gold prices moved little in Asian trade on Wednesday after falling sharply from record highs this week, with traders now seeking more cues on when the Federal Reserve will begin trimming interest rates. The yellow metal had started the week at record highs of over \$2,100 an ounce, boosted by seemingly less hawkish comments from Fed Chair Jerome Powell, as well as increased safe haven demand following a spike in Middle East tensions. Spot gold rose 0.1% to \$2,021.61 an ounce, while gold futures expiring February rose 0.1% to \$2,039.00 an ounce by 00:08 ET (05:08 GMT).

Oil prices were mixed in Asian trade on Wednesday, after posting four sessions' worth of losses, as markets weighed the effectiveness of OPEC+ cuts on supplies and worries of a worsening demand outlook in China. Brent crude futures climbed 1 cents to \$77.21 a barrel by 0438 GMT. U.S. WTI crude futures were down 4 cents at \$72.28 a barrel.

(Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0568	1.0975
GBP/USD	1.2405	1.2835
USD/ZAR	16.6460	20.6520
USD/AED	3.6518	3.6927
USD/JPY	145.25	148.25

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.