



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 08TH JANUARY 2024

### DOMESTIC NEWS

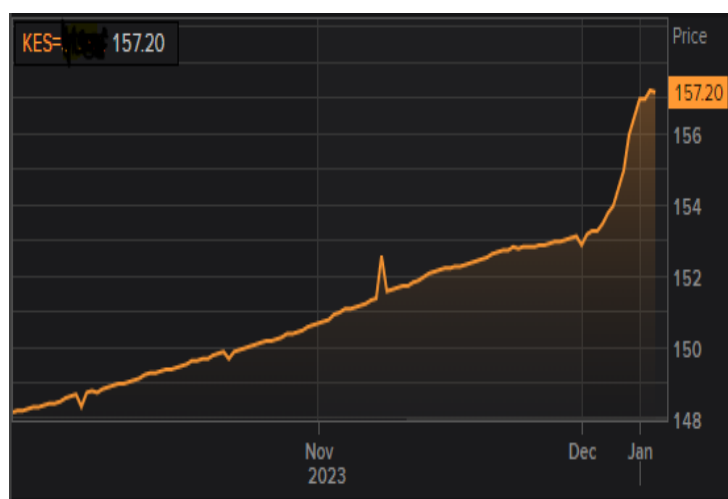
Kenya's shilling weakened against the U.S. dollar on Friday. Commercial banks quoted the shilling at 157.25/158.25, compared with Thursday's closing rate of 157.00/158.00. (Reuters)

Kenya's export to neighboring countries grew in the third quarter of 2023, pushing the country's total exports to KSh269.4 billion, a growth of 19.6 per cent compared to the same quarter of 2022. According to Kenya National Bureau of Statistic's Balance of Payments Report, the largest share was export revenues from the African continent valued at KSh119.7 billion, constituting 44.4 per cent of Kenya's overall export earnings. There was an increase in earnings from exports to Uganda (27.7 per cent), Tanzania (32.1 per cent), South Sudan (64.4 per cent) and Democratic Republic of Congo (78.6 per cent). During the period, expenditure on imports declined by 1.6 per cent compared to the same quarter of 2022. (Reuters)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	153.10	168.10	153.10	167.60
GBP/KES	195.57	208.57	194.77	209.47
EUR/KES	166.89	180.79	167.19	183.69
AED/KES	38.77	51.77	40.77	52.27

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 Oct 2023 – Date (Source: Reuters)

### INTERNATIONAL NEWS

The dollar steadied near three-week highs as stronger-than-expected U.S. payrolls data saw traders scale back bets that the Federal Reserve will cut interest rates early. The payrolls reading put upcoming U.S. inflation data squarely in focus, as markets sought more cues on when the central bank could potentially begin trimming rates this year. Regional currencies clocked steep losses after Friday's reading and saw little relief on Monday as traders hunkered down before a string of inflation readings from major Asian economies this week. The dollar index and dollar index futures both firmed slightly in Asian trade on Monday and remained within sight of a three-week high. The greenback clocked a strong gain in the first week of 2024, as traders grew uncertain over when the Fed could begin trimming interest rates. This was exacerbated by a stronger-than-expected nonfarm payrolls reading on Friday, with strength in the labor market giving the central bank more headroom to keep rates higher for longer.

On the other hand, EUR/USD traded 0.3% lower at 1.0913, on track for 1% decline in the week, snapping a run of three weeks of gains. GBP/USD fell 0.1% to 1.2664, on course for a loss of around 0.5% this week, with sterling helped to a degree by data from Halifax showing average U.K. house prices rose for the third straight month in December to their highest level since March 2023. USD/JPY traded 0.4% higher to 145.12, with the yen close to its weakest level in more than three weeks, as sentiment towards Japan was also dented by a devastating earthquake in the country. USD/CNY edged lower to 7.1564, with the yuan set to lose nearly 1% this week, as sentiment towards China remained largely negative.

In the commodities markets, Oil prices fell by more than 1% on Monday on sharp price cuts by top exporter Saudi Arabia and a rise in OPEC output, offsetting worries about escalating geopolitical tension in the Middle East. Brent crude slipped 1.09%, or 86 cents, to \$77.90 a barrel by 0344 GMT, while U.S. West Texas Intermediate crude futures shed 1.15%, or 85 cents, to \$72.96 a barrel.

On the other hand, Gold prices moved little in Asian trade on Friday after sinking below key levels this week following a sharp rebound in the dollar, with focus now squarely on key U.S. labor market data for more cues on interest rate cuts in 2024. Spot gold rose 0.1% to \$2,045.41 an ounce, while gold futures rose 0.1% to \$2,052.05 an ounce.

(Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0734	1.1136
GBP/USD	1.2500	1.2904
USD/ZAR	16.7413	20.7573
USD/AED	3.6522	3.6932
USD/JPY	142.44	146.47