



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

**TREASURY MARKET UPDATE 15TH JANUARY 2024**

**DOMESTIC NEWS**

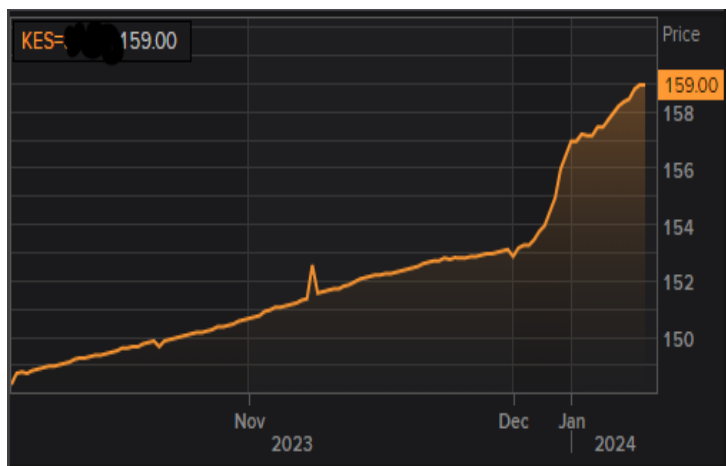
Kenya's shilling weakened against the dollar on Friday. Commercial banks quoted the shilling at 159.00/160.00 per dollar, compared with Thursday's closing rate of 158.50/159.50. (Reuters)

The Washington-based executive board of the International Monetary Fund (IMF) is set to meet on Wednesday (January 17) to complete the sixth review of the institution's arrangement with Kenya, including giving the green light on the disbursement of fresh funds. The meeting will be in the backdrop of November's staff level agreements on economic policies and reforms required to conclude the six reviews and augmentation of the arrangements. The completion will see the multilateral lender wire an estimated Sh109 billion (\$682.3 million), inclusive of the expansion of resources under the extended fund facility (ECF) and extended credit facility (ECF) and the first review of the resilience sustainability facility (RSF). The approval of fresh funding would bring the IMF's financial support disbursed under the arrangements to Sh427 billion (\$2.68 billion). (Reuters)

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	155.50	170.50	155.50	170.00
GBP/KES	199.42	212.42	198.62	213.32
EUR/KES	169.94	183.84	170.24	186.74
AED/KES	39.43	52.43	41.43	52.93

	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 U.S. dollar steadied in early European trade Friday, as investors digested mixed U.S. consumer inflation data and the potential impact on future Federal Reserve rate cuts. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded flat at 102.022, down from Thursday's high of 102.76 but well ahead of the five-month low of 100.61 hit in December. U.S. consumer prices edged 0.3% higher in December, data released Thursday showed, up an annual 3.4%, ahead of expectations for a 0.2% gain and 3.2% rise, respectively. Fed officials have tried to play down the likelihood of early interest rate cuts, with Cleveland Fed President Loretta Mester saying on Thursday that the latest CPI figures means that it would likely be too soon for the central bank to cut its policy rate in March. However, the majority of traders still expect the Fed to begin cutting rates as soon as March. Attention now turns to the release of U.S. producer prices later in the session, with PPI expected to rise 0.1% on the month in December, an annual rise of just 1.3%.

On the other hand, GBP/USD rose 0.1% to 1.2775 after data released earlier Friday showed that Britain's economy grew slightly more strongly than expected in November, with the country's gross domestic product rising 0.3% on the month. EUR/USD edged 0.1% higher to 1.0975, with French and Spanish inflation data confirmed at 3.7% and 3.1%, respectively, on an annual basis. USD/CNY fell 0.1% to 7.1622. USD/JPY traded 0.2% lower to 145.02.

In the commodities markets, Gold prices rose in Asian trade on Monday, recouping most of their new year's losses as persistent tensions in the Middle East drove safe-haven demand, while traders still held out for early interest rate cuts by the Federal Reserve. Spot gold rose 0.2% to \$2,053.88 an ounce, while gold futures expiring in February rose 0.3% to \$2,057.85 an ounce. Monday's move also points to no changes in China's benchmark loan prime rate, heralding limited levels of monetary stimulus for the economy, which have so far done little to shore up growth.

On the other hand, Oil prices edged up on Monday as traders watched for supply disruption risks in the Middle East following strikes by U.S. and British forces to stop Houthi militia in Yemen from attacking ships in the Red Sea. Brent crude futures were up 13 cents, or 0.2%, to \$78.42 a barrel by 0405 GMT after settling 1.1% higher on Friday. U.S. West Texas Intermediate crude was at \$72.73 a barrel, up 5 cents, or 0.1%, following a near 1% gain in the previous session.

(Reuters)

**Indicative Cross Rates**

	Bid	Offer
EUR/USD	1.0763	1.1167
GBP/USD	1.2554	1.2958
USD/ZAR	16.6472	20.6667
USD/AED	3.6524	3.6934
USD/JPY	143.21	147.22

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