



DIB Bank Kenya

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TREASURY MARKET UPDATE 02ND MAY 2023

DOMESTIC NEWS

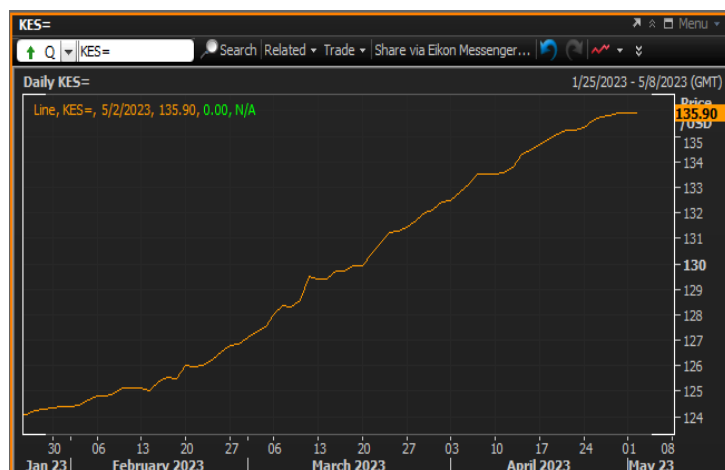
The Kenyan shilling held its ground against the dollar on Friday, as traders were cautious before the introduction of oil import deals that should ease persistent FX demand from fuel marketers. Commercial Banks quoted the shilling at 135.90/136.10 per dollar, compared with 135.85/136.05 at Thursday's close.

Cash sent home by Kenyans living and working abroad in the three months to March fell for the first time since 2010 as inflation hit multi-decade highs in many countries, squeezing household budgets. Remittances dropped to \$1.016 billion (Sh137.4 billion) in the quarter to March from \$1.024 billion (Sh138.5 billion) in the same period last year, Central Bank of Kenya (CBK) data shows. Kenyans abroad typically send money to help their families and to invest in projects like real estate, with flow from the US accounting for about 60 percent of the total remittances. The rising cost of living in countries like the US and in Europe on the back of costly energy, food and rent has been squeezing households and putting pressure on policymakers to bring the issue under control. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	132.00	143.50	132.00	143.25
GBP/KES	166.05	177.90	165.25	178.45
EUR/KES	144.56	157.96	144.86	159.36
AED/KES	33.03	46.03	35.03	46.53

	Amounts > 10 million	Amounts >100,000
	KES	USD
2 Weeks	7.50%	1.50%
1 Month	7.50%	2.50%
3 Months	8.00%	3.25%
6 Months	8.50%	3.50%
1 year	9.00%	4.25%



USD movement from January 2023 – Date (Source: Reuters)

INTERNATIONAL NEWS

The dollar rose to an almost two-week high against a basket of currencies on Monday before the Federal Reserve is expected to hike interest rates by an additional 25 basis points and after data showed that U.S. manufacturing pulled off a three-year low in April. Investors will focus on whether the U.S. central bank indicates that it expects to pause rate increases after May, or if it keeps alive the possibility of an additional hike in June or later when it concludes its two-day meeting on Wednesday. The dollar index was last up 0.41% on the day at 102.13 after reaching 102.19, the highest since April 19.

Elsewhere the EUR/USD fell 0.1% to 1.1006, with activity likely to be limited given the majority of Europe is enjoying the Labor Day holiday. GBP/USD fell 0.2% to 1.2553, in a quiet week in the U.K., with officials entering a blackout period before their decision on May 11. AUD/USD rose 0.4% to 0.6635, USD/JPY rose 0.5% to 136.94, while USD/CNY traded largely flat at 6.9121.

In the commodities markets, Oil prices held steady during Asian trade on Tuesday amid mixed data from China, and as the market weighed forecasts of declining crude stockpiles with expectations of a U.S. interest rate hike. Brent crude was up by 7 cents to \$79.38 a barrel by 0425 GMT, while U.S. West Texas Intermediate (WTI) crude rose 11 cents to \$75.77 a barrel. Both benchmarks fell by more than \$1 in their last session.

On the other end Gold prices moved little in early Asian trade on Tuesday, hovering well below key levels as anticipation of a likely interest rate hike by the Federal Reserve supported the dollar and dented demand for the yellow metal. Spot gold was flat at \$1,982.31 an ounce, while gold futures fell 0.1% to \$1,991.15 an ounce. Copper futures were flat at \$3.9380 a pound. Other precious metals moved little on Tuesday, with platinum and silver futures adding about 0.1% each. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0787	1.1190
GBP/USD	1.2302	1.2704
USD/ZAR	16.3645	20.3704
USD/AED	3.6518	3.6928
USD/JPY	135.67	139.69

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.