



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH MAY 2023

DOMESTIC NEWS

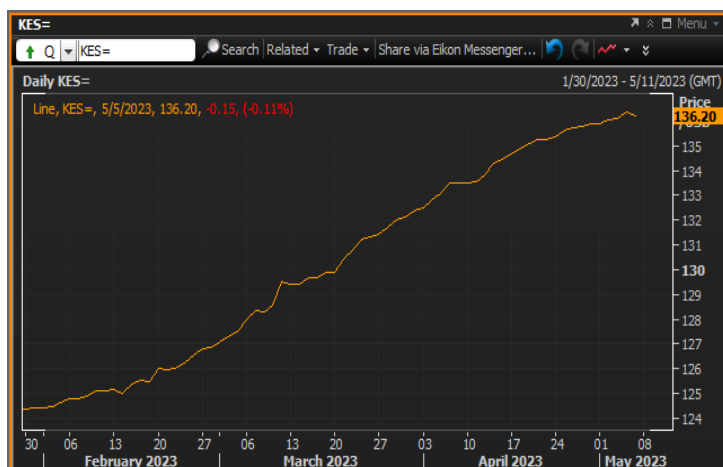
The Kenyan Shilling was broadly steady against the dollar on Wednesday as the interbank market helped smooth out an underlying shortage of foreign currency. Commercial Banks quoted the shilling at 136.65/85 per dollar, compared with 136.60/80 at Tuesday's close.

The National Treasury has seen its first fully subscribed bond on the first auction for the year outside the tax-free infrastructure bond. This is after investors put in bids of Sh20.74 billion, surpassing the Sh20 billion amount on offer to mark a 103.72 percent performance rate for the three-year paper. The Central Bank of Kenya, the exchequer's fiscal agent has accepted Sh20.29 billion from the investor bids at a weighted average rate of 14.228 percent. The performance of the issue has come against a wide consensus of the papers under subscription based on tight liquidity, reduced foreign player participation in the local market and reduced participation by banking sector players in bond auctions. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	132.75	144.25	132.75	144.00
GBP/KES	168.56	180.41	167.76	180.96
EUR/KES	145.20	158.60	145.50	160.00
AED/KES	33.24	46.20	35.20	46.70

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 remained stable against a basket of currencies on Wednesday as data showed inflation slowed slightly more than expected last month but gave traders little clarity on the U.S. monetary policy outlook. A U.S. Labor Department report on Wednesday showed the annual increase in consumer prices dipped below 5% in April for the first time in two years. An inflation measure closely watched by the Federal Reserve also subsided, which could provide incentive for the central bank to pause further interest rate hikes next month. But with inflation still above the Fed's 2% target, rates may need to stay high for some time to tame it. The dollar index in afternoon trading was at 101.48, up 0.1% after hitting a low of 101.21 earlier.

Elsewhere The euro was trading 0.15% higher at \$1.0979 while sterling was flat at \$1.2624 against the greenback. The Japanese yen held to gains and was last seen at 134.25 as the dollar slipped 0.73%. In the commodities markets, Oil prices dipped on Wednesday, stalling a three-day rally, as an unexpected rise in U.S. oil inventories sparked demand concerns, while investors awaited U.S. inflation data to gauge the next rate decision in the top oil consuming nation.

In the commodities markets, Oil prices bounced back on Thursday after dropping by more than a dollar a barrel the previous day, supported by stronger fuel demand data from the United States, the world's top oil consumer. Brent crude futures rose by 56 cents, or 0.7%, to \$76.97 a barrel by 0330 GMT, while U.S. crude futures rose 53 cents, also up 0.7%, to \$73.09.

On the other end Gold prices steadied in early trade on Thursday, while copper prices nursed steep losses as data showed that U.S. inflation eased slightly in April but remained relatively sticky, pointing to a potentially hawkish outlook from the Federal Reserve. Spot gold rose 0.1% to \$2,032.11 an ounce, while gold futures rose 0.1% to \$2,038.40 an ounce. Copper futures rose 0.1% to \$3.8518 a pound and were trading just above their weakest level in four months. Other precious metals were also largely steady on Thursday, with platinum and silver futures moving less than 0.1% in either direction. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0767	1.1167
GBP/USD	1.2319	1.2751
USD/ZAR	16.3865	20.3970
USD/AED	3.6516	3.6926
USD/JPY	132.79	136.80

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.