



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH DECEMBER 2022

DOMESTIC NEWS

Kenya shillings slid to a new record low on Tuesday on importers completing orders before the holiday season. Commercial banks quoted the shilling at 122.85/123.05 per dollar compared with Friday's close.

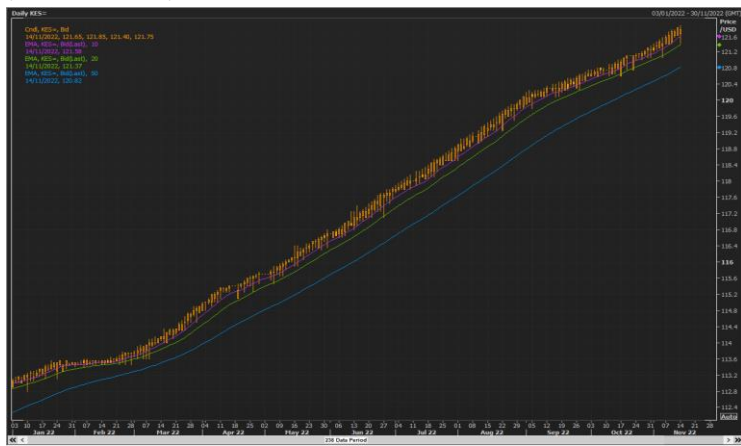
In other news locally, Most Kenyans investors are worried about inflation the most, according to a new global wealth survey by Standard Chartered Plc. Of the Kenyan respondents who participated in the survey, 50 per cent said rising inflation is the biggest obstacle to achieving their new goals. Other significant concerns were uncertainty in the global economy and a fear of poor returns on investments. According to the survey, the investors are making changes to their portfolio allocations in response to these challenges. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	119.45	129.95	118.95	129.45
GBP/KES	147.82	167.32	147.02	161.82
EUR/KES	125.71	151.61	126.01	144.61
AED/KES	29.47	39.47	31.47	38.97

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	7.00%	1.25%
1 Month	7.00%	2.00%
3 Months	7.50%	2.50%
6 Months	8.00%	3.25%
1 year	8.50%	4.00%

(Source: Reuters)



INTERNATIONAL NEWS

The dollar nosedived across the board on Tuesday after data showed U.S. consumer price inflation rose less than expected last month, reinforcing expectations the Federal Reserve will slow the pace of rate increases after its two-day meeting on Wednesday. The greenback fell to a six-month low against the euro after the data. The euro hit \$1.0673, the highest since June, and was last up 0.9% at \$1.0631. Against the yen, the dollar dropped to a one-week low of 134.67, and last changed hands at 135.55 yen, down 1.5%.

The dollar index, measuring the U.S. unit's value versus six major currencies, fell 0.9% to 104.02.

In Asia, Most Asian currencies kept to a tight range on Wednesday in anticipation of an interest rate hike and more cues on monetary policy from the Federal Reserve, although sentiment was somewhat lifted by softer-than-expected U.S. inflation data. Most regional units rose on Tuesday after data showed U.S. consumer price index (CPI) inflation eased more than expected in November, indicating that inflation has likely peaked.

In the commodities market, Oil prices fell in early trade on Wednesday after industry data showed a surprise build in U.S. crude inventories against analysts' forecast of a decline, reinforcing fears about weakening demand even as supply tightens. Brent crude futures dropped 19 cents, or 0.2%, to \$80.49 per barrel, while U.S. West Texas Intermediate (WTI) crude futures fell 15 cents, or 0.2%, to \$75.24 at 0414 GMT.

Gold prices hovered near a six-month high on Wednesday following a sharp rally in the prior session, as markets waited for the Federal Reserve to hike interest rates later in the day and weigh in on easing inflationary pressures. Bullion prices rallied sharply on Tuesday after data showed U.S. consumer price index (CPI) inflation eased further in November, further indicating that price pressures in the country have peaked and are likely to retreat. Spot gold was flat around \$1,809.90 an ounce, while gold futures held around \$1,821.70 an ounce by 19:21 ET (00:21 GMT). Both instruments rallied about 1.6% on Tuesday. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0425	1.0850
GBP/USD	1.2150	1.2555
USD/ZAR	15.2553	19.2719
USD/AED	3.6627	3.6829
USD/JPY	133.51	137.55

For more details, contact our Treasury staff Mary, Bernard, Loryne Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/54/55. 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.