



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH SEPTEMBER 2023

DOMESTIC NEWS

The Kenyan shilling inched lower against the dollar on Thursday, traders said, weighed down by foreign exchange demand from fuel importers and the manufacturing sector. At 0930 GMT, commercial banks quoted the shilling at 146.70/90 per dollar, compared with Wednesday's closing rate of 146.60/80.

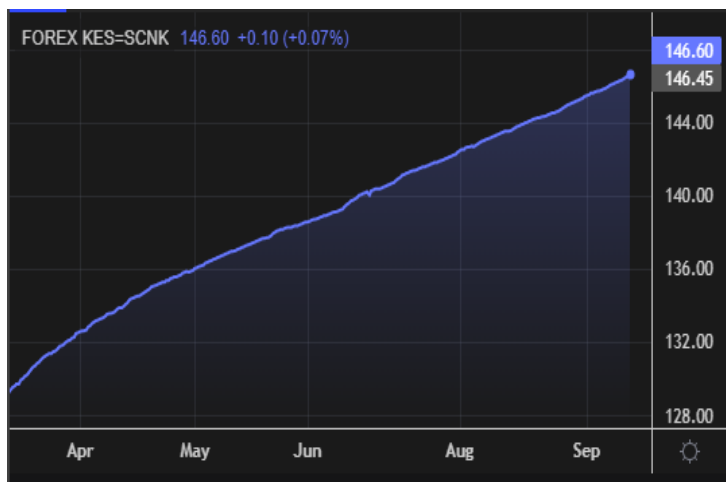
In other news Fuel prices in the country have crossed the Sh200 mark, according to the latest review by the Energy and Petroleum Regulatory Authority (EPRA). In its latest price review, EPRA revised the prices upwards as follows; Super Petrol by sh16.96, Diesel by Sh21.32 and Kerosene by Sh33.13. This means the pump prices will be as follows; Super Petrol at sh211.64, Diesel at sh201 and Kerosene at sh202.13 per litre in Nairobi. The prices have remained unchanged for the last two months.

(Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	142.70	154.20	142.70	153.95
GBP/KES	178.33	190.18	177.53	190.73
EUR/KES	151.36	164.76	151.66	166.16
AED/KES	35.94	48.94	37.94	49.44

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	8.50%	1.50%
1 Month	9.00%	2.50%
3 Months	9.50%	3.25%
6 Months	9.75%	3.50%
1 year	10.00%	4.25%



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

INTERNATIONAL NEWS

The U.S. dollar retained its gains against peers on Friday, following strong U.S. economic data and a rate hike by the European Central Bank (ECB). The currency's strengthening came in response to higher-than-expected U.S. retail sales and an ECB decision that prompted a drop in European yields.

U.S. retail sales for August were boosted by higher gasoline prices, resulting in a 0.6% month-on-month increase, surpassing the estimated rise of 0.2%. This positive economic data contributed to the dollar's strength, with the U.S. dollar index reaching close to Thursday's six-month peak of 105.430.

On Thursday, the ECB raised rates to a record high of 4%, however, it signaled that this might be the end of its rate-hiking cycle as economic growth slows down. The ECB statement noted that the key interest rates have reached levels which, if sustained for a sufficiently long duration, will contribute significantly to inflation returning to target levels. Following the ECB's decision, which was characterized as a dovish hike by markets, the euro hit a multi-month low of \$1.0632 against the dollar, while European Government Bond (EGB) yields finished 3-6 basis points lower.

In the commodities markets, Gold prices rose in Asian trade on Friday as markets bet that the Federal Reserve will keep rates on hold despite recent increases in inflation, while copper prices surged on more stimulus measures from major importer China. Data released this week showed that U.S. consumer and producer inflation rose more than expected through August. But the increases were insufficient in convincing traders that the Federal Reserve will hike rates further when it meets next week. While gold benefited from this notion, further gains in the yellow metal were held back by a dollar rally, as the greenback scaled six-month peaks on Thursday.

Spot gold rose 0.3% to \$1,916.80 an ounce, while gold futures expiring in December rose 0.3% to \$1,938.35 an ounce by 00:48 ET (04:48 GMT). Both instruments were still set to close the week marginally lower.

Oil prices rose on Friday and are set for a third weekly gain, as better-than-expected Chinese economic data and reports of record oil consumption bolstered the view that demand in the world's second-largest crude consumer will continue to surge.

Brent crude futures rose 62 cents, or 0.7%, to \$94.32 as of 0249 GMT, while the U.S. West Texas Intermediate crude (WTI) was up 71 cents, or 0.8%, at \$90.87. Both benchmarks were up about 4% from a week ago. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0543	1.0946
GBP/USD	1.2232	1.2650
USD/ZAR	16.7871	20.7925
USD/AED	3.6526	3.6936
USD/JPY	145.11	149.13