



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 18TH MAY 2023

DOMESTIC NEWS

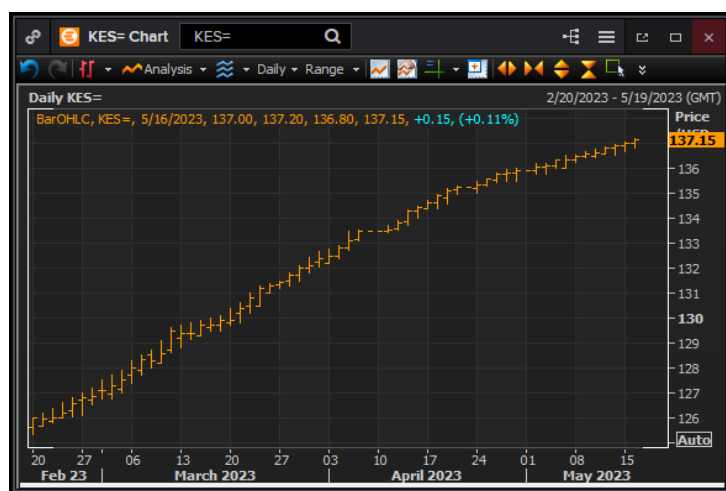
The Kenya's shilling was stable on Wednesday, although traders said it was expected to weaken during the session due to rise in demand for dollars from general goods importers such as flour milling companies. Commercial Banks quoted the shilling at 137.20/40 per dollar, compared with Tuesday's close of 137.15/35.

The National Treasury will be required to seek prior approval of Parliament before withdrawing and spending money from the Consolidated Fund-the government's main account-if MPs approve changes to the law aimed at curbing abuse of Article 223 of the Constitution. The National Assembly's Public Accounts Committee (PAC) chairman John Mbadi has tabled a Bill that seeks to amend the Public Finance Management Act to tighten provisions governing the withdrawal of funds not approved by Parliament. "The National Treasury shall seek pre-approval to incur the expenditure from the relevant committee of the National Assembly," says Mr Mbadi in the Bill. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	133.20	144.70	133.20	144.45
GBP/KES	167.22	179.07	166.42	179.62
EUR/KES	143.80	157.20	144.10	158.60
AED/KES	33.36	46.36	35.36	46.86

	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 U.S. dollar held near a seven-week peak on Thursday, after President Joe Biden and top U.S. congressional Republican Kevin McCarthy worked towards avoiding a damaging debt default, while the Aussie dollar slipped after disappointing jobs data. Biden and McCarthy on Wednesday underscored their determination to strike a deal soon to raise the government's \$31.4 trillion debt ceiling, having agreed a day earlier to negotiate directly after a months-long standoff. The pop up in treasury yields helped lift the U.S. dollar. Against a basket of currencies, the dollar index firmed near its seven-week peak hit in the previous session, and last stood at 102.86.

Elsewhere EUR/USD fell 0.1% to 1.0856, ahead of the release of the final April CPI data for the eurozone, which is expected to show prices remain elevated. GBP/USD fell 0.3% to 1.2454, with sterling remaining under pressure after the U.K. unemployment rate unexpectedly in March, raising the likelihood of the Bank of England pausing its run of interest rate increases when it next meets in June. USD/JPY rose 0.3% to 136.79, after hitting a two-week peak overnight, AUD/USD fell 0.1% to 0.6649, while USD/CNY rose 0.2% to 6.9928, with the yuan falling to its weakest level since mid-December on growing bets that the People's Bank of China will need to further ease monetary policy to support economic growth.

In the commodities markets, Oil prices fell in early Asian trade on Thursday as traders warily watched for signs of progress on talks to raise the U.S. debt ceiling, after surging nearly 3% in the previous session on optimism over U.S. fuel demand. Brent crude futures dipped 20 cents, 0.3%, to \$76.76 a barrel as of 0228 GMT. U.S. West Texas Intermediate crude also dropped 20 cents to \$72.63 a barrel.

On the other end Gold prices moved little in Asian trade on Thursday, reeling from steep losses this week as markets awaited more cues on the U.S. economy and monetary policy, while copper prices bounced back from a five-month low on some improving sentiment. Spot gold was flat at \$1,982.18 an ounce, while gold futures steadied at \$1,985.15 an ounce. Copper futures were flat at \$3.7485 a pound after rallying over 2% on Wednesday. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0622	1.1022
GBP/USD	1.2259	1.2659
USD/ZAR	16.3865	20.3970
USD/AED	3.6516	3.6926
USD/JPY	134.02	138.02

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.