



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 20TH APRIL 2023

DOMESTIC NEWS

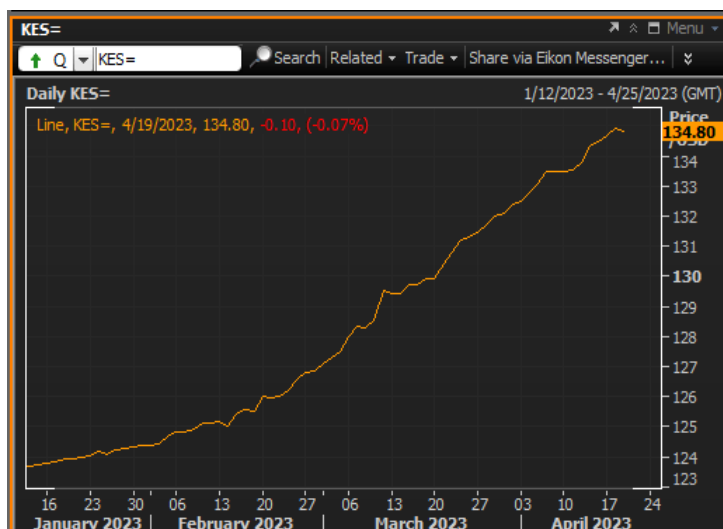
The Kenyan shilling weakened on Wednesday, undermined by increased demand for dollars from oil retailers and manufacturers and listed companies preparing to pay dividends to their foreign shareholders. Commercial Banks quoted the shilling at 135.00/135.20 per dollar compared with Tuesday's closing rate of 134.90/135.10.

Investors will be free to buy stakes of up to 30 percent in listed companies without the approval of the Capital Markets Authority (CMA), raising the threshold for notifying the regulator of a potential takeover. The Treasury is seeking to amend the regulations guiding takeovers in changes that will raise the limit for seeking approval for share purchases from 25 percent. Presently, the regulator requires investors who own more than a quarter of a Nairobi Securities Exchange-listed firm to state whether they intend to take full control when buying stocks equivalent to at least five percent in it. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	131.20	142.70	131.20	142.45
GBP/KES	164.05	175.90	163.25	176.45
EUR/KES	143.25	156.65	143.55	158.05
AED/KES	32.82	45.82	34.82	46.32

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 strengthened on Wednesday, lifted by rising Treasury yields, though the pound gained against the greenback after British inflation stayed above 10% in March and put more pressure on the Bank of England to keep raising rates. The dollar index, which tracks the currency against a basket of its peers, was up 0.206% as markets turn more skeptical that the Federal Reserve will cut rates later this year. The yield on two-year Treasury notes, which are sensitive to expectations for the U.S. central bank's monetary policy, rose 7 basis points to 4.269% after hitting a one-month high of 4.286%. The dollar has been on the defensive for some time with the debt ceiling in Congress unresolved and the migration of deposits in the U.S. banking system still a concern.

Elsewhere sterling was last trading at \$1.244, up 0.13% on the day, while the dollar rose 0.46% against the rate-sensitive yen at 134.71, after briefly poking above 135 for the first time in a month. The euro, which traded below \$1 in September, a two-decade low, is now worth around \$1.10, close to its highest in more than a year.

In the commodities markets, Oil prices fell in Asian morning trade on Thursday as the U.S. dollar strengthened on rate-hike expectations and after recent economic data from the U.S. and China did not do enough to encourage expectations that demand will improve. Brent crude futures lost 80 cents or 0.96% to trade at \$82.32 a barrel. West Texas Intermediate crude (WTI) futures dropped 69 cents or 0.87% to \$78.47.

On the other end Gold prices traded below key levels on Thursday, coming under pressure from a resurgence in the dollar and mounting expectations that major central banks across the globe will keep raising interest rates in the near-term. Spot gold rose slightly to \$1,996.49 an ounce, while gold futures steadied around \$2,008.15 an ounce. Other precious metals were flat on Thursday after retreating in the prior session. Platinum and silver futures moved less than 0.1% in either direction. Copper futures fell 0.1% to \$4.0710 a pound after retreating 0.5% in the prior session. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0755	1.1157
GBP/USD	1.2225	1.2626
USD/ZAR	16.1935	20.2096
USD/AED	3.6519	3.6929
USD/JPY	132.82	136.84

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.