



DIB Bank Kenya

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TREASURY MARKET UPDATE 24TH JULY 2023

DOMESTIC NEWS

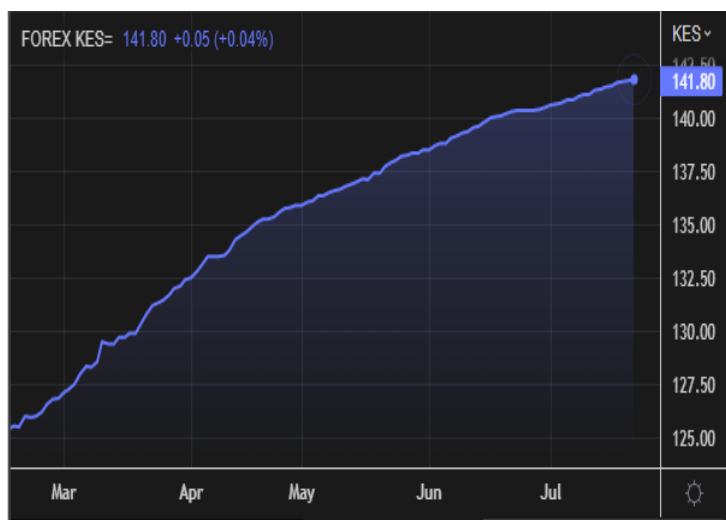
Kenya's shilling was broadly unchanged on Friday, at the end of a muted trading week when activity was thinner than usual because of anti-government protests. Commercial banks quoted the shilling at 141.75/95 per U.S. dollar, compared with Thursday's closing rate of 141.70/90.

The Central Bank of Kenya (CBK) has mopped a further Sh43.4 billion from July's bond tap sale, benefiting from increased investor interest in government securities. Proceeds from the supplementary auction were more than two times greater than the targeted Sh20 billion as total bids received in the issue totaled to Sh44.4 billion. Investor subscriptions were concentrated on the shorter re-opened 10-year paper, which had a tenor of 3.2 years at reopening, with bids on the paper tallying to Sh32.2 billion. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	137.90	149.40	137.90	149.15
GBP/KES	178.63	190.48	177.83	191.03
EUR/KES	152.91	166.31	153.21	167.71
AED/KES	34.63	47.63	36.63	48.13

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 dollar snapped a two-week losing streak Friday ahead of the Federal Reserve's widely expected rate hike next week, but some are divided on whether the rebound has staying power. The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, rose by 0.19% to 100.79, following a plunge to a more than one-year low last week. The Fed is expected to lift interest rates next week, and likely push back against bets that it won't follow through with another hike. The Federal Reserve will kick off its two-day meeting on Tuesday, with many expecting the meeting to culminate in a 0.25% rate hike following a pause at the June meeting.

Elsewhere GBP/USD rose 0.2% to 1.2891, after British retail sales rose 0.7% on the month in June, more than the 0.2% rise expected. This is still 1.0% lower than a year earlier but beat forecasts for a 1.5% decline. EUR/USD rose 0.1% to 1.1139, bouncing after having dropped 0.6% on Thursday, as the dollar appreciated. The European Central Bank is expected to raise interest rates by 25 basis points next week. USD/JPY rose 0.1% to 140.17 after data showed Japan's consumer price index rose 3.3% in June from a year earlier, remaining above the Bank of Japan's 2% target. USD/CNY fell 0.1% to 7.1680, following reports indicating the country's biggest state-owned banks had intervened in currency markets to support the yuan.

In the commodities markets, Oil prices eased on Monday as traders awaited more rate hike cues from U.S. and European central banks, with tightening supply and hopes for Chinese stimulus underpinning Brent at \$80 a barrel. Brent crude futures dipped 16 cents, or 0.2%, to \$80.91 a barrel by 0444 GMT. U.S. West Texas Intermediate (WTI) crude was at \$76.90 a barrel, down 17 cents, or 0.2%. Market participants also expect Beijing to implement targeted stimulus measures to support its flagging economy, likely boosting oil demand in the world's No. 2 consumer.

On the other end Gold prices fell slightly on Monday as anticipation of a key Federal Reserve meeting kept investors wary at the beginning of the week, while copper prices nursed steep losses on concerns over slowing demand in China. Spot gold fell slightly to \$1,961.66 an ounce, while gold futures fell 0.2% to \$1,963.35 an ounce. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0925	1.1329
GBP/USD	1.2666	1.3071
USD/ZAR	15.9817	19.9989
USD/AED	3.6526	3.6936
USD/JPY	139.51	143.56

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.