



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

**TREASURY MARKET UPDATE 27<sup>TH</sup> APRIL 2023**

**DOMESTIC NEWS**

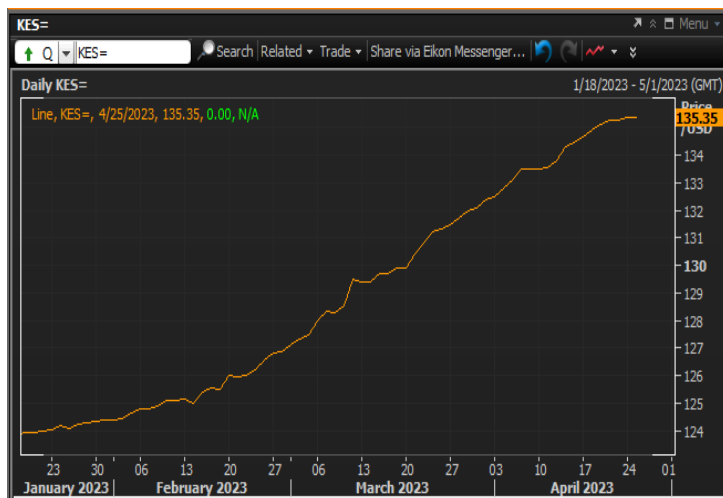
The Kenyan shilling slipped lower against the dollar on Wednesday, as companies required hard currency to meet end-month payments, while fuel and merchandise importers also sought foreign exchange. Commercial Banks quoted the shilling at 135.60/80 per dollar, compared with 135.35/55 at Tuesday's close.

The government now says the country is yet to feel the impact of the government-to-government petroleum products deal in the foreign exchange market because marketers are still clearing old dollar-priced stocks that are held within the oil pipeline. This product, known as line fill, refers to petroleum product that stays on the pipeline at all times. Players licensed to import fuel into the country are required to maintain a million litres of product in the line at all times. The credit-based deal with Saudi Aramco and the Abu Dhabi National Oil Company (Adnoc) was made public on March 13 and is meant to run until mid-September. (Business daily)

**Indicative Forex Rates**

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	131.85	143.35	131.85	143.10
GBP/KES	165.48	177.33	164.68	177.88
EUR/KES	145.22	158.62	145.52	160.02
AED/KES	32.99	45.99	34.99	46.49

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 edged lower in early European trade Wednesday, handing back some of its sharp overnight gains which were prompted by continuing concerns about an economic slowdown and the health of the U.S. banking system. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.3% lower at 101.330, after posting a 0.5% gain in the previous session. Additionally, softer-than-expected consumer confidence data, falling to a nine-month low, also raised fears that the U.S. economy, the major global growth driver, is heading towards recession in the second half of the year.

Elsewhere the EUR/USD rose 0.3% to 1.1008, trading back above the 1.10 level after the forward-looking German GfK consumer sentiment index came in at -25.7 for May, an improvement from the revised prior reading of -29.3, and the seventh increase in a row. GBP/USD rose 0.3% to 1.2440, with the market fully expecting the Bank of England to hike interest rates by another 25 basis points next month. AUD/USD dropped 0.2% to 0.6613 as data showed that inflation continued to ease in Australia, albeit at a slower-than-expected rate, while USD/JPY traded 0.1% lower at 133.61, with the focus now on Tokyo inflation data and a BOJ meeting on Friday for more cues on the Japanese economy.

In the commodities markets, Oil prices rose slightly on Thursday, finding some support after heavy losses in the previous two sessions that were driven by fears of a U.S. recession and an increase in Russian oil exports which dulled the impact of OPEC production cuts. Brent crude was trading at \$77.94 a barrel, up 25 cents, or 0.3% as of 0252 GMT. U.S. West Texas Intermediate crude added 12 cents or 0.2% to trade at \$74.42. Oil prices dropped almost 4% on Wednesday, extending sharp losses in the previous session with recession fears overshadowing a bigger-than-expected fall in U.S. crude inventories.

On the other end Gold prices kept to a small range on Thursday as traders hunkered down ahead of hotly watched data on U.S. economic growth and the Federal Reserve's preferred inflation gauge, although high safe haven demand kept the yellow metal near key levels. (Reuters)

**Indicative Cross Rates**

	Bid	Offer
EUR/USD	1.0853	1.1256
GBP/USD	1.2279	1.2682
USD/ZAR	16.3340	20.3440
USD/AED	3.6518	3.6928
USD/JPY	131.68	135.70

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.