



DIB Bank Kenya

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TREASURY MARKET UPDATE 30TH AUGUST 2023

DOMESTIC NEWS

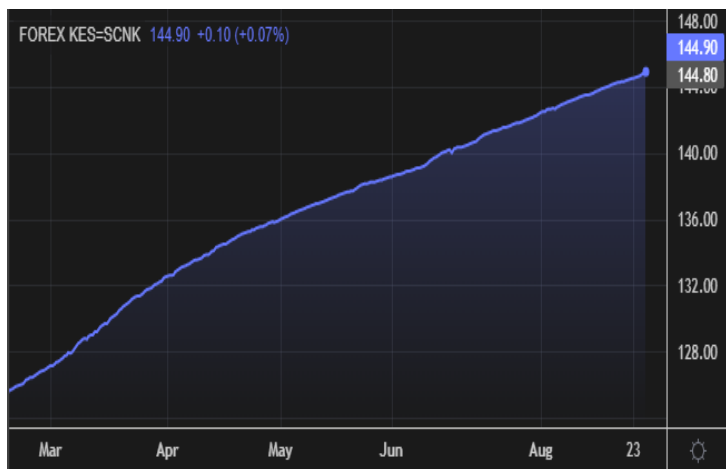
Kenya's shilling weakened slightly on Tuesday as month-end foreign currency demand outpaced supply. Commercial banks quoted the shilling at 145.10/30 per U.S. dollar, compared with Monday's closing rate of 145.00/20.

Kenyan consumers will have a choice to buy electricity tokens directly from independent power producers (IPPs) or Kenya Power if MPs approve a proposal in a parliamentary committee report. In the latest push to end the Kenya Power monopoly, the National Assembly's Energy Committee is proposing to have IPPs generating power through geothermal with the help of KenGen to sell power directly to consumers as one of the ways of reducing the high cost of electricity. Highly placed sources in the committee said MPs want consumers to choose between buying their power from either Kenya Power or IPPs by choosing which is cheaper. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	141.30	152.80	141.30	152.55
GBP/KES	179.39	191.24	178.59	191.79
EUR/KES	152.88	166.28	153.18	167.68
AED/KES	35.56	48.56	37.56	49.06

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 nursed its sharpest drop in a month and a half on Wednesday, as investors bet that softer-than-expected U.S. jobs data reduced the chances of further Federal Reserve rate hikes. The U.S. dollar index - which measures the currency against six developed-market peers including the yen and euro - was little changed at 103.57 after pulling back from as high as 104.36 overnight after a sharp drop in the U.S. JOLTS job openings data to a 2-1/2 year low in July. The two-year Treasury yield, which is most sensitive to expectations for monetary policy, slumped as much as 18 basis points (bps) to 4.871% before recovering to around 4.9% in Asian trading hours. "With traders now sensitive to weaker U.S. data in hopes of the Fed's peak rate, I'd expect USD bears to pounce on the back of any data which backs up the JOLTS jobs report," said Matt Simpson, a market analysts at City Index.

Elsewhere EUR/USD fell 0.1% to 1.0811, with German consumer sentiment seen falling in September, as the GfK's consumer sentiment index fell to -25.5 from a slightly revised -24.6 in August, as persistently high inflation weighs. GBP/USD rose 0.1% to 1.2614, moving off two-month lows from last week, USD/JPY fell 0.1% to 146.44, close to a 10-month high, AUD/USD rose 0.2% to 0.6444, while USD/CNY traded flat at 7.2903.

In the commodities markets, Gold prices steadied at three-week peaks on Wednesday, aided by a weaker dollar as softer-than-expected U.S. economic data spurred bets that the Federal Reserve will have limited headroom to keep raising rates. Spot gold fell 0.1% to \$1,936.45 an ounce, while gold futures expiring in December fell 0.1% to \$1,963.85 an ounce. Both instruments shot up by nearly 1% each on Tuesday and were at their highest levels since early August.

On the other end Oil prices extended gains on Wednesday after industry data showed a large draw in crude inventories in the U.S., the world's biggest fuel consumer, and as concerns about a hurricane in the Gulf of Mexico kept investors on edge. Brent crude futures for October climbed 31 cents, or 0.36%, to \$85.80 a barrel. U.S. West Texas Intermediate crude futures gained 38 cents, or 0.47%, to \$81.54, logging its fifth session of gains.

(Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0662	1.1066
GBP/USD	1.2423	1.2825
USD/ZAR	16.5095	20.5198
USD/AED	3.6524	3.6934
USD/JPY	144.15	148.16