



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH DECEMBER 2022

DOMESTIC NEWS

The Kenya shilling was stable in early trade on Thursday, but it was expected to weaken during the session due to increased demand for dollars from oil retailers. Commercial banks quoted the shilling at 123.35/55 to the dollar compared to Wednesday's closing rate of 123.30/50.

In other news locally, The Kenya Revenue Authority (KRA) will from January go after the billions being made by foreign traders profiting from Kenyan-based derivatives, as the taxman casts its net beyond borders.

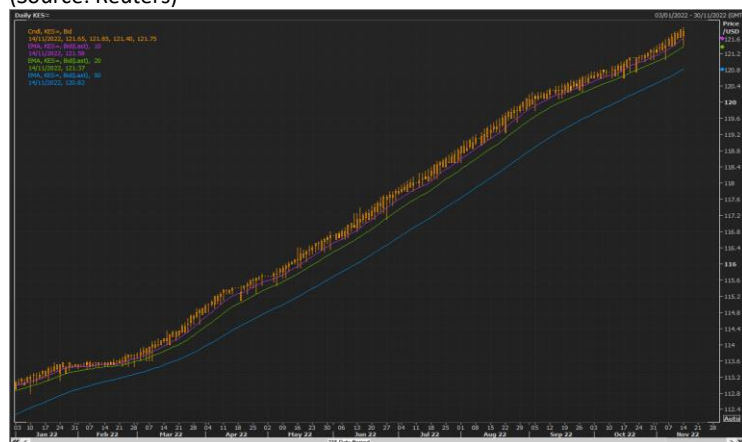
Gains accruing for foreigners from the financial derivative contracts will start attracting 15 percent withholding tax. Currently, only local companies that have bought derivative contracts — which include options, swaps, futures, and forward contracts — to protect themselves against financial loss due to price fluctuations have been paying the 15 percent withholding tax on their gains. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	119.40	130.90	119.40	129.90
GBP/KES	144.75	157.75	143.95	158.65
EUR/KES	126.60	140.50	126.90	143.40
AED/KES	29.60	42.60	31.60	39.60

	Amounts > 10 million	Amounts >100,000
	KES	USD
2 Weeks	7.00%	1.25%
1 Month	7.00%	2.00%
3 Months	7.50%	2.50%
6 Months	8.00%	3.25%
1 year	8.50%	4.00%

(Source: Reuters)



INTERNATIONAL NEWS

The dollar slipped on Thursday with investors on edge at the end of the year as initial optimism over China's reopening fizzled out and as markets processed a readout of U.S. jobless claims. Markets are weighing the impact of China's rapid loosening of its strict COVID-19 rules with a surge in new infections.

After hitting a one-week high against the yen on Wednesday, which saw the dollar touch 134.40, the greenback hit a session low against the yen on Thursday. The dollar last fell 1.1% against the yen to 133.005. Against a basket of currencies, the U.S. dollar index fell 0.479% to 103.840, having climbed 0.18% in the previous session.

The Greenback also fell against the Swiss franc to as low as 0.9208, the lowest level since March 31. It was last down 0.71% against the Swiss franc at 0.922.

On the other hand Sterling rose 0.42% against the dollar to 1.207 after slipping 0.11% the previous day with the Aussie (AUD) rising 0.70% versus the greenback at \$0.678. The kiwi (NZD) rose 0.68% against the dollar at \$0.635.

In the commodities Oil prices edged up on Friday and were on track to post their second straight annual gains, albeit modest, in a stormy year marked by tight supplies due to the Ukraine war, a strong dollar and weakening demand from the world's top crude importer China. Brent crude futures rose 20 cents, or 0.2%, to \$83.66 a barrel by 0445 GMT, after settling 1.2% down in the previous session.

Brent looked set to end the year with a 7.6% gain, after jumping 50.2% in 2021. Prices surged in March to a peak of \$139.13 a barrel, a level not seen since 2008, after Russia invaded Ukraine, sparking supply and energy security concerns. U.S. West Intermediate crude was at \$78.63, up 23 cents, or 0.3%, after closing 0.7% lower on Thursday. It is on track to rise 4.5% in 2022, following a 55% gain last year.

In the crypto markets, the Central Bank of the Republic of Turkey (CBRT) has completed the first trial of its central bank digital currency (CBDC), the Digital Turkish Lira, and has signaled plans to continue testing throughout 2023. According to a statement released by the CBRT on Dec. 29, the central bank authority said it successfully executed its "first payment transactions" using the digital Lira. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0444	1.0858
GBP/USD	1.1847	1.2245
USD/ZAR	15.9537	19.9696
USD/AED	3.66220	3.6831
USD/JPY	130.25	134.85

For more details, contact our Treasury staff Mary, Bernard, Loryne Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/54/55. 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.