



DIB Bank Kenya

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TREASURY MARKET UPDATE 04TH AUGUST 2023

DOMESTIC NEWS

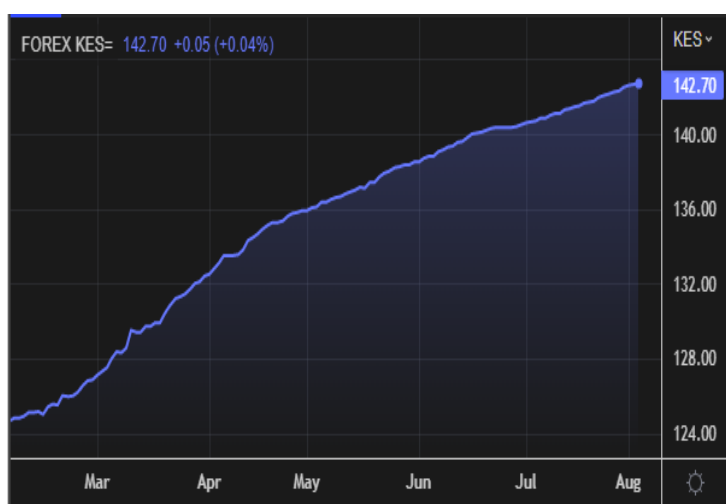
The Kenyan shilling continued on its downward path on Thursday, weighed down by persistent foreign-currency demand from importers. Commercial banks quoted the shilling at 142.75/95 to the U.S. dollar, compared with its last close of 142.65/85.

The decision by the Kenya Revenue Authority (KRA) to backdate the new taxes to July 1 has left tax agents with a compliance nightmare as employers brace for a double hit later this month remitting the taxes that were uncollected due to an earlier suspension by a court. The taxes unremitted within the five-day window are technically attracting penalties for non-compliance following the decision by the (KRA) to apply the taxes from the effective date under the Finance Act 2023. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	138.80	150.30	138.80	150.05
GBP/KES	177.77	189.62	176.97	190.17
EUR/KES	151.52	164.92	151.82	166.32
AED/KES	34.88	47.88	36.88	48.38

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 slid from a four-week peak on Thursday after U.S. labor market data failed to impress a day before a key jobs report, and as Treasury yields rose but eased at the short end. Nonfarm-productivity rose to an annualized 3.7% to help curb growth in labor costs and aid an improving U.S. inflation outlook. But labor productivity has grown at a 1.4% rate since the fourth quarter of 2019, well below the long-term average since 1947 of 2.1%. Other data showed the number of Americans filing new claims for unemployment benefits rose slightly last week, while layoffs fell to an 11-month low in July amid a tight labor market. The dollar index, which measures the currency against six major peers, fell 0.039%.

Elsewhere GBP/USD traded 0.2% lower at 1.2689. The Bank of England, or BoE, raised interest rates by 0.25% to a 5%-to-5.25% range on Thursday, a downshift from the 0.5% hike delivered in June. The central bank noted that inflation “remains well above the 2% target,” though expects it to “fall significantly further, to around 5% by the end of the year.” EUR/USD fell 0.2% to 1.0920, after German imports slumped 3.4% in June, indicative of weak domestic demand in the largest economy in the eurozone. USD/JPY rose 0.2% to 143.66, with the Japanese yen hit after the Bank of Japan carried out another unscheduled bond-buying operation. USD/CNY fell 0.5% to 7.1551, with the Chinese yuan benefiting from the release of a private survey showing that the country’s service sector grew more than expected in July.

In the commodities markets, Oil prices rose for a second day on Friday, set for their sixth week of gains, after Saudi Arabia and Russia, the world’s second and third-largest crude producers, pledged to cut output through next month. Brent crude futures for October rose 10 cents, or 0.1%, to \$85.24 a barrel, while U.S. West Texas Intermediate crude for September rose 17 cents, or 0.2%, to \$81.72.

On the other end Gold prices rose slightly on Friday as traders hunkered down before key labor data that is expected to factor into U.S. monetary policy, while copper caught some bids ahead of more cues on Chinese stimulus measures. Spot gold rose 0.1% to \$1,936.05 an ounce, while gold futures expiring in December rose 0.1% to \$1,971.45 an ounce. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0755	1.1158
GBP/USD	1.2525	1.2928
USD/ZAR	16.6407	20.6526
USD/AED	3.6526	3.6936
USD/JPY	140.47	144.47