



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 05TH JULY 2023

DOMESTIC NEWS

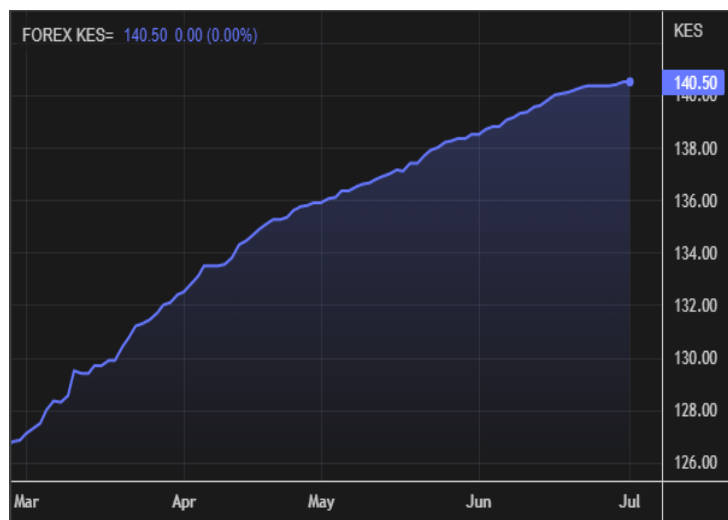
Kenya's shilling was stable on Tuesday during a quiet session, as persistent foreign exchange demand by fuel and merchandise importers eased. commercial banks quoted the shilling at 140.50/70 per dollar, the same as Monday's closing rate.

Kenya's economy has reversed seven straight back-to-back quarterly growth declines after pulling out of a prolonged electioneering period and a season of jobless growth defined by elevated inflation. The latest official numbers show that the economy in the three months to March posted the fastest growth in the last four quarters, defying the high cost of living driven by a prolonged drought. The Kenya National Bureau of Statistics (KNBS) reported on Tuesday that the country's gross domestic product expanded by 5.3 percent in the first quarter of the year, a faster pace than 3.7 percent in the previous period ending December 2022. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	136.70	148.20	136.70	147.95
GBP/KES	174.77	186.62	173.97	187.17
EUR/KES	148.11	161.51	148.41	162.91
AED/KES	34.31	47.31	36.31	47.81

	Amounts > 10 million		Amounts >100,000	
	KES		USD	
2 Weeks	8.00%		1.50%	
1 Month	8.50%		2.50%	
3 Months	9.00%		3.25%	
6 Months	9.25%		3.50%	
1 year	9.50%		4.25%	



USD movement from March 2023 – Date (Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar stabilized in early European hours Tuesday in holiday-impacted trade. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded marginally lower at 102.612. The dollar traded in tight ranges Tuesday with U.S. markets closed as the country celebrated Independence Day, especially as the week ends with key employment data which could influence the next move by the Federal Reserve.

Elsewhere EUR/USD traded largely unchanged at 1.0910, even as German exports fell in May, suggesting a difficult trading environment for Europe's manufacturing powerhouse. However, the European Central Bank is likely to continue its historic series of interest rate increases, with another hike later this month likely. GBP/USD rose 0.1% to 1.2705, with the Bank of England also likely to continue hiking interest rates as the country's inflation rate remained at 8.7% in May, the highest of any major advanced economy. USD/JPY fell 0.2% to 144.39, with the yen hovering just around seven-month lows as markets continued to watch for any potential intervention by the government in currency markets. AUD/USD rose 0.1% to 0.6678 after the Reserve Bank of Australia maintained its cash rate at an 11-year high of 4.10%, saying it wanted more time to assess the impact of the 400 basis points of hikes since May last year.

In the commodities markets, Oil prices fell on Wednesday, reversing some gains made after Saudi Arabia and Russia announced they would extend and deepen output cuts into August, as concerns over a global economic slowdown weighed on market sentiment. Brent crude was down 46 cents, or 0.6%, at \$75.79 a barrel, after climbing \$1.60 on Tuesday. U.S. West Texas Intermediate (WTI) crude futures were at \$70.87 a barrel, up \$1.08, or 1.6%, from Monday's close, having traded through a U.S. holiday to mark Independence Day without a settlement.

On the other end Gold prices steadied after mild overnight gains on Wednesday as investors hunkered down before the minutes of the Federal Reserve's June meeting, while copper prices ticked lower amid fears of a renewed U.S.-China trade war. Spot gold steadied at \$1,926.38 an ounce, while gold futures were flat at \$1,933.85 an ounce. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0675	1.1180
GBP/USD	1.2505	1.2908
USD/ZAR	16.6761	20.7066
USD/AED	3.6523	3.6934
USD/JPY	142.59	146.60

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.