



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 05TH SEPTEMBER 2023

### DOMESTIC NEWS

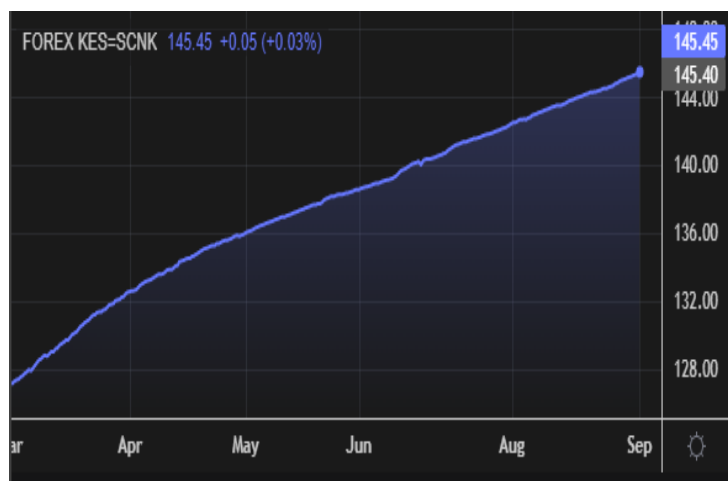
Kenyan shilling was unchanged on Monday, although it was expected to weaken due to increased demand for dollars from oil retailing companies and manufacturers, which was outpacing inflows from the tourism sector. Commercial banks quoted the shilling at 145.60/80 per dollar, the same as Friday's close.

Pressure is mounting on county governments to establish working internal mechanisms to detect and prevent theft, wastage, and other forms of loss of public funds, with the Auditor-General now joining in the call by the Ethics and Anti-Corruption Commission (EACC). Auditor-General Nancy Gathungu said on Monday her office has been raising concerns about the lack of internal audit units at the devolved units, one of the main loopholes through which public resources are lost. Her sentiments came within a week after the EACC directed counties to establish internal audits within 60 days, accounting officers in counties will now be hard-pressed to justify spending to internal auditors, a practice the watchdogs feel will prevent theft and wastage. (Business daily)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	141.75	153.25	141.75	153.00
GBP/KES	180.00	191.85	179.20	192.40
EUR/KES	152.35	165.75	152.65	167.15
AED/KES	35.68	48.68	37.68	49.18

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 U.S. dollar edged lower in early European trade Monday, in thin holiday-affected volumes as traders continued to digest last week's mixed U.S. jobs report and the possible impact on thinking at the Federal Reserve ahead of this month's policy-setting meeting. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower at 104.075, remaining close to last week's two-month peak of 104.44. Friday's jobs report offered up a mixed picture - job growth picked up more than expected in August, but the U.S. economy created 110,000 fewer jobs than previously reported in June and July, the unemployment rate jumped to 3.8%, while wage gains moderated. Importantly, there was a huge 736,000 jump in the workforce, which provided hope that an expansion in labour supply could further ease wage pressures even while hiring stays strong.

Elsewhere EUR/USD rose 0.2% to 1.0794, with the pair helped by the weakness in the dollar even as German exports fell 0.9% on the month in July as global demand continues to falter. GBP/USD rose 0.2% to 1.2614, while USD/JPY traded largely flat at 146.19, while AUD/USD rose 0.4% to 0.6473, ahead of Tuesday's Reserve Bank meeting, which is widely expected to result in the central bank holding interest rates at an over 10-year high, given recent signs of cooling inflation and employment. USD/CNY rose 0.1% to 7.2677, with the yuan remaining weak as data out of China in the coming week is likely to indicate that the economic recovery in the world's second largest economy remains fragile.

In the commodities markets, Gold prices moved little on Tuesday amid a dearth of direct cues, while the dollar and Treasury yields remained steady before a string of Federal Reserve speakers this week. Spot gold was flat at \$1,938.78 an ounce, while gold futures expiring in December steadied at \$1,964.50 an ounce.

On the other end Oil prices were mostly flat on Tuesday as data showing China's economy was still struggling with a post-pandemic recovery offset expectations of an extension in supply cuts by leading OPEC+ members Saudi Arabia and Russia. Brent crude futures for November fell 9 cents, or 0.10%, to \$88.91 a barrel. U.S. West Texas Intermediate crude (WTI) October futures rose 34 cents, or 0.4%, to \$85.89.

(Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0584	1.0985
GBP/USD	1.2407	1.2809
USD/ZAR	17.1706	21.1850
USD/AED	3.6524	3.6934
USD/JPY	144.83	148.88

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.