



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 06TH APRIL 2023

DOMESTIC NEWS

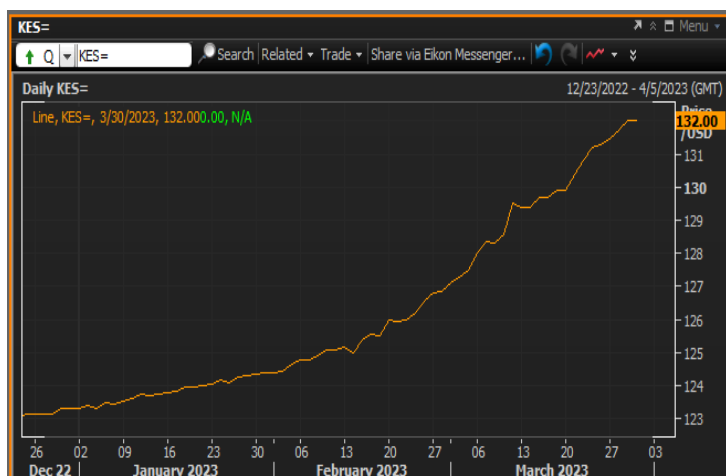
The Kenyan shilling inched lower against the dollar on Wednesday, as manufacturers sought muted supplies of foreign exchange. Persistent unmatched foreign exchange demand from fuel importers and the manufacturing industry has caused the shilling to lose 7.4% of its value against the greenback this year. Commercial banks quoted the shilling at 133.10/30, compared to Tuesday's close of 132.90/133.10.

A ship carrying consignments of white maize, sorghum and wheat docked at the Mombasa port on Wednesday as importers started shipping in the produce to ease a shortage of the cereals and avert a food crisis. A manifest from the Kenya Ports Authority (KPA) indicates that the Stellina ship docked at the port on Wednesday with 21,455 metric tonnes of white maize from Mozambique. The KPA manifest also shows that 22,820 metric tonnes of sorghum arrived on Wednesday on a Giorgos Confidence Ship from the US. Kenya also received 27,998 metric tonnes of wheat at the Mombasa port from Canada on a vessel known as Ability. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	129.20	140.70	129.20	140.45
GBP/KES	161.73	173.58	160.93	174.13
EUR/KES	140.15	153.55	140.45	154.95
AED/KES	32.27	45.27	34.27	45.77

Amounts > 10 million		Amounts >100,000	
KES		USD	
2 Weeks	7.50%	1.50%	
1 Month	7.50%	2.50%	
3 Months	8.00%	3.25%	
6 Months	8.50%	3.50%	
1 year	9.00%	4.25%	



USD movement from December 2022 – Date (Source: Reuters)

INTERNATIONAL NEWS

The dollar advanced on Wednesday, recovering from two-month lows hit the previous session, as investors lightened their short positions to book profits ahead of the all-important U.S. non-farm payrolls report on Friday. The underlying trend though for the dollar remained tilted to the downside and Wednesday's U.S. private sector jobs numbers affirmed that. The jobs data supported the view that the Federal Reserve may not need to raise rates much further. In afternoon trading, the dollar index rose 0.4% to 101.87, led by gains against the euro, which fell 0.5% to \$1.0906. U.S. rate futures markets are now pricing in a 55% chance of the Fed leaving rates unchanged at its next meeting, up from a 43% chance a day earlier.

Elsewhere EUR/USD traded 0.1% lower at 1.0948, just below the two-month peak it hit on Tuesday, helped by German industrial orders soaring 4.8% in February driven by strong growth in the vehicle construction sector. GBP/USD fell 0.1% to 1.2487, slipping from Tuesday's ten-month high, AUD/USD fell 0.4% to 0.6727, while USD/JPY fell 0.1% to 131.56 after data also showed that Japan's service sector grew at a higher-than-expected pace in March, largely offsetting a decline in manufacturing activity.

In the commodities markets, Oil fell on Thursday as weak U.S. economic data raised concerns over a potential global recession and demand reduction, but benchmark prices were headed for a weekly advance after OPEC+ announced further output cuts and U.S. oil stocks dropped. Brent crude futures fell 74 cents, or 0.9%, to \$84.25 a barrel by 0344 GMT. West Texas Intermediate U.S. crude slid 73 cents, also 0.9%, to \$79.88 a barrel.

On the other end Gold prices rose slightly on Wednesday, moving further towards a 2020 record high as more signs of slowing economic growth fed into safe haven demand for the yellow metal. Weakness in the dollar underpinned most other precious metals, with platinum futures up 0.3%, while silver added 0.6%. Both metals were also sitting on strong gains this week. Copper futures were flat at a two-week low of \$3.9707 a pound on Wednesday, after tumbling nearly 3% over the past two sessions. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0692	1.1092
GBP/USD	1.2242	1.2647
USD/ZAR	16.0760	20.0954
USD/AED	3.6523	3.6933
USD/JPY	129.30	133.32

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.