



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 6<sup>TH</sup> FEBRUARY 2023

### DOMESTIC NEWS

The Kenya shillings weakened on Friday remaining under pressure due to dollar demand from importers. Commercial banks quoted the shillings at 124.65/85 per dollar compared to Thursdays close of 124.45/65.

In other news in the local markets, The Nairobi Securities Exchange (NSE) expects to list a new real estate investment trust this year, highlighting the growing interest in funds as an alternative investment in the Kenyan market. Sources say the REIT will come after the listing of the Lap trust Imara I-REIT by pension scheme Laptrust, which will hold seven properties. Laptrust I-Reit is a close-ended fund that will list 346,231,413 units at Sh20 each placing its valuation at Sh6.9 billion and has set a minimum investment of Sh5 million for those who want to buy. A closed-end fund's shares are traded on the exchange but no new units will be created and no fresh money will flow into the investment vehicle.

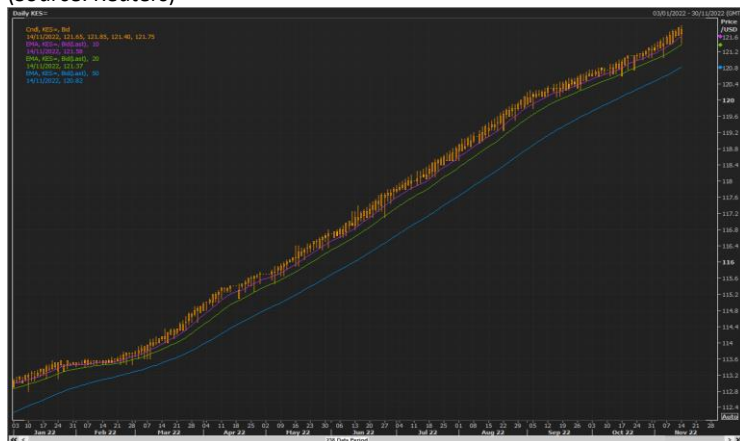
(Business daily)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	120.75	132.25	120.75	131.25
GBP/KES	146.44	159.44	145.64	160.34
EUR/KES	129.80	143.70	130.10	146.60
AED/KES	29.96	42.96	31.96	39.96

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 jumped on Friday after data showed that U.S. employers added significantly more jobs in January than economists expected, potentially giving the Federal Reserve more leeway to keep hiking interest rates. The Labor Department's closely watched employment report showed that nonfarm payrolls surged by 517,000 jobs last month. The department revised December data higher to show 260,000 jobs added instead of the previously reported 223,000. The dollar was last up 1.12% at 102.92 on the day against a basket of currencies, the highest since Jan. 12 and it is on track for its best day since Sept. 23. The euro fell 0.98% to \$1.08040. The dollar gained 1.82% against the Japanese yen to 131.20, the highest since Jan. 18 and is on track for its best day since June 17.

Sterling fell 1.39% to \$1.20550, the lowest since Jan. 6 and its worst day since Dec. 15. On the other hand, the Japanese yen fell to an over three-week low against the dollar on Monday after a report said that Bank of Japan Deputy Governor Masayoshi Amamiya, who is a proponent of ultra-loose monetary policy- will take over as the bank's governor. The yen fell on the report, as markets saw the move as a potential extension of the BOJ's ultra-accommodative stance. The currency sank 0.5% to the dollar, and was trading close to 132, also coming under pressure from stronger-than-expected U.S. payrolls data.

In the commodities market, Oil prices rose slightly on Monday tracking optimistic comments on a recovery in Chinese demand from the International Energy Agency, although markets were still nursing steep weekly losses on fears of tighter U.S. monetary policy.

Brent oil futures rose 0.5% to \$80.23 a barrel, while West Texas Intermediate crude futures rose 0.3% to \$73.64 a barrel by 20:48 ET (01:48 GMT). Both contracts tumbled 2.7% and 3.7% respectively on Friday.

Gold prices on the other hand were muted on Monday after logging their worst week in seven months, with focus now turning to a discussion with Federal Reserve Chair Jerome Powell after stronger-than-expected U.S. employment data ramped up fears of more monetary tightening. Spot gold was flat at \$1,864.93 an ounce, while gold futures expiring in April sank 0.2% to \$1,876.40 an ounce by 18:50 ET (23:50 GMT). (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0591	1.0995
GBP/USD	1.1857	1.2245
USD/ZAR	15.4960	19.4783
USD/AED	3.6629	3.6835
USD/JPY	129.65	133.59

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.