



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 7<sup>TH</sup> DECEMBER 2022

### DOMESTIC NEWS

Kenya shilling edged lower on Tuesday as importers sought dollars to make year end and Christmas orders amid a paucity of inflows. Commercial banks quoted the shilling at 122.60/80 to the dollar compared to Monday's close of 122.55/75.

In other news locally Banks are set to grow their revenue by billions of shillings once they reinstate charges on bank-to-mobile transactions at the start of next year. The Central Bank of Kenya (CBK) announced on Monday that lenders would resume charging on the transactions, adding that the fees would be reduced by a range of between 45 per cent and 61 per cent.

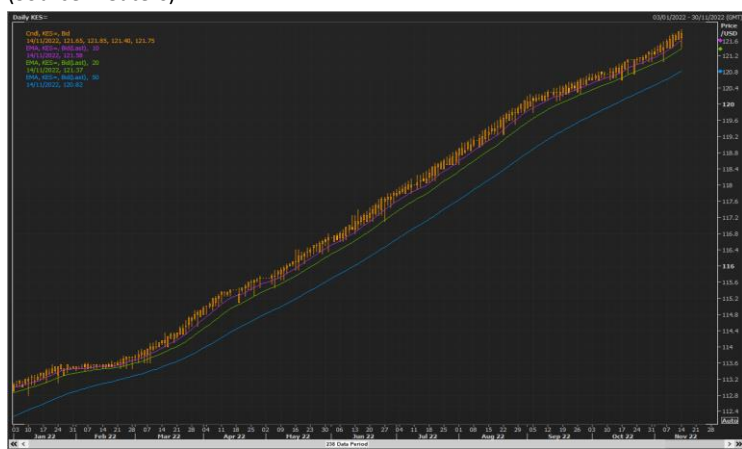
Retail banks with millions of customers led by Equity Group and KCB Group were the biggest losers in the fee waivers introduced on March 16, 2020, to offer financial relief to customers besides boosting the uptake of cashless transactions to fight the Covid-19 pandemic. (Business daily)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	118.60	130.10	118.60	129.10
GBP/KES	144.78	157.78	143.98	158.68
EUR/KES	123.42	137.32	123.72	140.22
AED/KES	29.38	42.38	31.38	35.38

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 U.S. dollar was up slightly against the euro and yen on Tuesday as U.S. stocks sold off, while investors were trying to position for next week's expected interest rate hike from the U.S. Federal Reserve. The dollar's activity was also more muted after it rose sharply in the previous session following data showing U.S. services industry activity unexpectedly picked up in November, which prompted investor speculation the Fed may lift rates more than recently projected. Traders currently expect a half-point hike from the Fed in its announcement Dec. 14. The U.S. dollar index, which measures the currency against six major peers, remains up roughly 10% for the year so far. It was last up 0.3% on Tuesday. On the other hand, the euro was down 0.2% against the dollar at \$1.0465, while the dollar was up 0.1% against the Japanese yen.

In the commodities markets, Oil futures edged slightly higher on Wednesday on hopes for improved Chinese demand while uncertainty about how a Western cap on Russian oil prices would play out kept markets on edge after a sharp fall the previous session. Brent futures gained 13 cents, or 0.16%, at 0416 GMT to \$79.48 a barrel, after they fell below \$80 for the second time in 2022 during the previous trading session's futures clawed back earlier losses and were steady from the previous close at \$74.25 a barrel.

Gold prices steadied below key levels on Wednesday as investors awaited more cues on the global economy from a swathe of readings due this week, while a recovery in the dollar also kept metal markets subdued. Markets awaited trade and inflation data from China, third-quarter GDP figures from Japan and Australia, and most importantly, U.S. producer inflation data due later in the week.

The U.S. producer price index for November, due on Friday, will be closely watched for any cues on the path of inflation in the country. Given that the Fed signaled that their terminal interest rate will largely track inflation, markets grew more cautious ahead of the reading. Spot traded around \$1,770.33 an ounce, while gold futures fell 0.1% to \$1,782.35 an ounce. Both instruments are trading down for the week, as stronger-than-expected U.S. data pushed up fears of inflation remaining sticky in the country. (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0262	1.0670
GBP/USD	1.1950	1.2355
USD/ZAR	15.3462	19.3662
USD/AED	3.6627	3.6829
USD/JPY	135.32	139.55

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.