



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 07TH JULY 2023

### DOMESTIC NEWS

Kenya's shilling hovered around a fresh low it hit earlier on Thursday as foreign exchange demand from manufacturing industry and oil importers continued to weigh. Commercial banks quoted the shilling at 140.75/95 per dollar compared to Wednesday's close of 140.70/90.

Azimio la Umoja-One Kenya coalition party leader Raila Odinga has insisted that the planned mass protests across the country will go on as planned today Friday. Raila has listed five reasons for the opposition's calls for peaceful demonstrations, including the high cost of living, electoral injustice, nepotism in state appointments, the sacking of civil servants and defence for democracy. The protests are expected to be spread across the country with the effect being that most shops will remain closed. (Business daily)

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	136.95	148.45	136.95	148.20
GBP/KES	175.59	187.44	174.79	187.99
EUR/KES	148.64	162.04	148.94	163.44
AED/KES	34.38	47.38	36.38	47.88

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	9.75%	4.25%	



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

### INTERNATIONAL NEWS

The dollar eased after a brief rebound on Thursday as data showing the U.S. labor market remains strong increased chances the Federal Reserve will raise interest rates later this month. Private payrolls surged in June in the biggest rise since February 2022, an ADP National Employment report showed, while the number of Americans filing new claims for unemployment benefits rose moderately last week, the Labor Department said. Futures markets raised the probability of the Fed hiking interest rates by 25 basis points to 92.4% when policymakers conclude a two-day meeting on July 26, the CME Group's FedWatch Tool showed. The dollar index, measuring the U.S. currency against six others including the euro and Japan's yen, fell 0.18% to 103.13.

Elsewhere EUR/USD rose 0.1% to 1.0865, helped by data showing German industrial orders rose significantly more than expected in May, climbing by 6.4% on the month, significantly better than the predicted 1.2% increase. The European Central Bank is widely expected to increase interest rates again later this month, and Governing Council member Joachim Nagel said earlier this week that further hikes are likely even though decisions remain data dependent. GBP/USD traded flat at 1.2704, while USD/JPY fell 0.6% to 143.76, amid continued speculation over government intervention in currency markets, and AUD/USD rose 0.4% to 0.6678, helped by stronger-than-expected trade data for May. USD/CNY traded largely unchanged at 7.2472, with the yuan remaining just shy of an eight-month low after data this week showed that Chinese business activity deteriorated for a third straight month in June.

In the commodities markets, Oil prices rose slightly on Friday and were on track for their second straight weekly gain, as resilient demand resulted in a larger-than-expected fall in U.S. oil stocks, offsetting fears of higher U.S. interest rates. Brent crude futures were up 20 cents, or 0.3%, at \$76.72 a barrel, while U.S. West Texas Intermediate crude gained 19 cents, also 0.3%, to \$71.99 a barrel.

On the other end Gold prices kept to a tight range on Friday, coming under pressure from fears of rising U.S. interest rates as markets awaited more cues from nonfarm payrolls data due later in the day. Spot gold steadied at \$1,910.54 an ounce, while gold futures were flat at \$1,916.00 an ounce. Copper futures fell 0.1% to \$3.7402 a pound, and were set to close a third straight week in red. (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0690	1.1094
GBP/USD	1.2538	1.2942
USD/ZAR	16.0742	21.0844
USD/AED	3.6526	3.6936
USD/JPY	141.62	145.81

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.