



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 07TH SEPTEMBER 2023

DOMESTIC NEWS

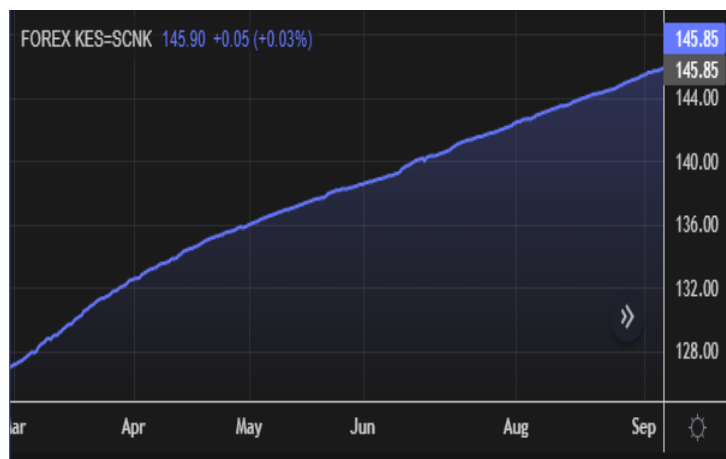
Kenya's shilling was steady on Wednesday, with dollar inflows from tea exporters meeting demand from importers in the energy and manufacturing sectors. Commercial banks quoted the shilling at 145.90/146.10 per dollar, compared with Tuesday's closing rate of 145.85/146.05.

Kenya and other African countries struck climate-related financing deals worth \$23 billion (Sh3.36 trillion) at the just-ended inaugural climate summit held in Nairobi, giving the continent's green investments plans a shot in the arm. President William Ruto said the three-day Africa Climate Summit had lived up to its billing and offered a springboard for take-off for the continent's climate action plans. The deals, some directly targeted at Kenya such as the Sh1.9 billion (€12 million) in grants from the European Union (EU) for investment in the country's green hydrogen industry, are expected to accelerate Africa's green agenda. One of the big deals from the Nairobi Summit was the \$4.5 billion (Sh657.2 billion) finance initiative to unlock Africa's clean energy. This was announced by COP 28 president-designate Sultan Al Jaber. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	142.05	153.55	142.05	153.30
GBP/KES	178.47	190.32	177.67	190.87
EUR/KES	151.61	165.01	151.91	166.41
AED/KES	35.76	48.76	37.76	49.26

	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 dollar climbed to a six-month peak on Wednesday, reversing earlier losses, after U.S. data showed the services sector surprisingly picked up steam last month amid a rise in new orders and businesses paying higher prices, suggesting persistent inflation pressure. The greenback recovered against most currencies after the data, with the euro and sterling hitting three-month lows and the yen touching session troughs. The U.S. currency, however, pulled back a bit in the afternoon as volume thinned. The dollar index was last at 104.84, up 0.1%, after earlier hitting a fresh six-month high of 105.03. Data showed the Institute for Supply Management (ISM)'s non-manufacturing PMI rose to 54.5 last month, the highest since February and up from 52.7 in July. Economists polled by Reuters had forecast the non-manufacturing PMI would decrease to 52.5.

Elsewhere EUR/USD rose 0.2% to 1.0737, having breached a three-month low of 1.0705 overnight, while GBP/USD climbed 0.2% to 1.2582, having also touched a three-month low late Tuesday. USD/JPY fell 0.3% to 147.27, with the yen recovering slightly from a 10-month low hit earlier in the session. USD/CNY rose 0.1% to 7.3087, crossing the 7.3 mark and hitting its weakest level to the dollar since November 2022 as markets continued to fret over a slowing economic recovery in the world's second-largest economy. AUD/USD rose 0.1% to 0.6384, with the Aussie dollar helped by data showing Australia's economy grew slightly more than expected in the second quarter.

In the commodities markets, Oil prices eased on Thursday as worries over demand due to a seasonal slowdown during winter and an uncertain economic outlook for China outweighed expectations of tighter supplies from extended production cuts in Saudi Arabia and Russia. Brent crude futures fell 24 cents to \$90.36 a barrel, after a nine-session winning streak. U.S. West Texas Intermediate crude (WTI) futures fell 29 cents to \$87.25 after a seven-session gain.

On the other end Gold prices moved little on Thursday, coming under pressure from strength in the dollar and Treasury yields as signs of sticky inflation pushed up concerns that the Federal Reserve will maintain its hawkish rhetoric. Spot gold rose 0.1% to \$1,919.32 an ounce, while gold futures expiring in December fell 0.1% to \$1,943.30 an ounce. Both instruments were trading just above their lowest level in 10 days. (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0518	1.0922
GBP/USD	1.2298	1.2701
USD/ZAR	17.2366	21.2476
USD/AED	3.6524	3.6934
USD/JPY	145.94	149.58

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.