



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 8<sup>TH</sup> FEBRUARY 2023

### DOMESTIC NEWS

The Kenya shilling weakened on Tuesday to a new all-time low undermined by increased dollar demand from manufacturers and oil retailing companies. Commercial banks quoted the shillings at 124.90/125.10 per dollar compared with Monday's close of 124.80/125.00.

In other news in the local markets, Kenya is planning to set up an investment bank to increase commercial lending to environmentally friendly projects by absorbing part of the risks associated with such ventures. Treasury says in the draft National Green Fiscal Incentives Policy Framework, that the planned bank is part of efforts to steer Kenya's economy onto a low-carbon climate-resilient green development pathway. The green bank—to be referred to as Kenya Green Investment Bank (KeGIB) —will incentivize private sector investments in green projects. *(Business daily)*

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	120.80	132.30	120.80	131.30
GBP/KES	146.40	159.40	145.60	160.30
EUR/KES	129.02	142.92	129.32	145.82
AED/KES	29.98	42.98	31.98	39.98

	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 eased on Wednesday after Federal Reserve Chair Jerome Powell showed little sign of a hawkish pushback against a resilient labour market in the United States, raising hopes that interest rates may not rise much further. The U.S. dollar struggled to recover its losses in Asia trade on Wednesday, after slipping in the previous session as Powell spoke. Sterling rose 0.02% to \$1.20525, rebounding from Tuesday's one-month trough of \$1.19615. Similarly, the euro was last marginally higher at \$1.0730, after falling to \$1.06695 in the previous session, its lowest since Jan. 9.

Elsewhere, the yen last bought at 131.21 per dollar, after surging 1.2% in the previous session. Japanese real wages rose for the first time in nine months thanks to robust temporary bonuses, data on Tuesday showed, offering a glimmer of hope to investors, who are closely following wage trends in the country. A substantial pay growth in spring labour talks is seen as an essential condition for the Bank of Japan (BOJ) to scale back its massive monetary stimulus.

In the commodities markets, Oil prices were little changed on Wednesday amid subdued movements in the dollar, and as investors waited for more inventory data for more clues on demand trends. Brent crude futures rose by one cent to \$83.70 a barrel at 0405 GMT, after gaining 3.3% in the previous session. U.S. West Texas Intermediate (WTI) crude futures climbed by 15 cents to \$77.29, after jumping 4.1% in the previous session.

Gold prices steadied on Wednesday following somewhat mixed signals on monetary policy from the Federal Reserve, while copper prices firmed after a strong rally as markets bet on a demand recovery in major importer China. The yellow metal marked two consecutive days of small gains as it staged a recovery from a near one-month low touched last week. Spot gold was flat at \$1,873.65 an ounce, while gold futures rose 0.1% to \$1,886.00 an ounce by 19:27 ET (00:27 GMT). Other precious metals advanced on Wednesday. Platinum futures rose 0.1% to \$982.90 an ounce, while silver futures rose 0.4% to \$22.275 an ounce. Among industrial metals, copper prices steadied after a sharp jump on Tuesday, amid renewed optimism over an economic recovery in China, the world's largest copper importer. *(Reuters)*

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0532	1.0959
GBP/USD	1.1850	1.2248
USD/ZAR	15.5266	19.5402
USD/AED	3.6629	3.6835
USD/JPY	131.11	133.35

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.