



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH DECEMBER 2021

DOMESTIC NEWS

Kenya's shilling was under pressure against the dollar on Wednesday as importer dollar demand exceeded limited supplies. According to the traders the shilling will remain under pressure and the levels of imports surge with the approaching festivities.

Commercial banks quoted the shilling at 112.90/113.10 to the dollar compared with Monday's close of 112.85/113.05.

In other news fuel prices will remain unchanged the monthly review to January 14, offering motorists and households a reprieve ahead of the Christmas and New Year festivities.

The Energy and Petroleum Regulatory Authority (Epra) Tuesday evening retained pump prices at Sh129.72 and Sh110.60 per litre of super and diesel respectively in Nairobi. Kerosene to retail at Sh103.54.

On commodities locally Maize millers have written to the Ministry of Agriculture warning of an impending price increase of flour following a fall in available maize stocks in the market that has pushed up the cost of a 90-kilo bag of the grain.

Indicative Forex Rates

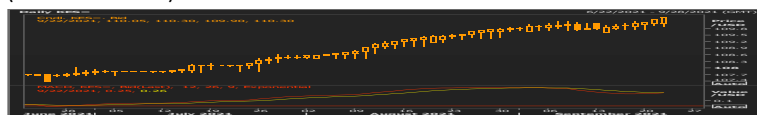
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	109.40	116.40	110.90	115.90
GBP/KES	145.55	153.55	145.25	153.95
EUR/KES	123.02	130.92	123.82	131.32
AED/KES	29.24	32.34	28.74	32.74

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.370%	4.350%	-0.020
91-Day T-bill		7.280%	7.232%	0.048
182-Day T-Bill		7.984%	7.854%	0.130
364-Day T-Bill		9.091%	9.016%	0.075
Inflation		5.800%	6.450%	-0.650
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.27625	-0.56157	0.26900
12 months	0.46550	-0.49686	0.62663

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar rose on Wednesday after the U.S. Federal Reserve said it would end its pandemic-era bond purchases in March and paved the way for three quarter-percentage-point interest rate increases in 2022.

The dollar index was up 0.2% for the day to 96.737 shortly after the announcement.

Fed officials also forecast that inflation would run at 2.6% next year, compared to the 2.2% projected as of September.

The move in the index against major currencies came at the expense of the euro, the Japanese yen and British pound, among others.

Before the announcement, the dollar had been trading in a narrowly through the day and close to its highest levels in more than a year.

The British pound's early gains fizzled on Wednesday as investors moved to the sidelines before a Federal Reserve statement that might signal a more hawkish policy shift, potentially boosting the dollar.

Some analysts expect the Federal Reserve to announce that it will move more quickly to end its pandemic-era bond purchases, a precursor to raising interest rates. Money markets currently expect the Fed to raise rates at least twice in 2022.

Against a broadly strong dollar, sterling edged 0.1% lower at \$1.3220 after being up as much as 0.4% earlier on higher-than-expected inflation data before a Bank of England policy meeting on Thursday.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.00%	0.25%
1 Month	6.25%	0.50%
3 Months	6.50%	0.75%
6 Months	6.75%	1.00%
1 year	7.00%	1.25%

Indicative Cross Rates

	Bid		Offer	
	EUR/USD	1.1123	1.1469	
GBP/USD	1.3135	1.3651		
USD/AED	3.6655	3.6899		
USD/JPY	108.35	116.79		

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.