



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD DECEMBER 2021

DOMESTIC NEWS

Kenya's shilling was under pressure against the dollar on Wednesday as importer dollar demand exceeded limited supplies. Commercial banks quoted the pair USD/KES 112.90/113.10 compared with the previous days close of 112.85/113.05.

In other news the Treasury is targeting Sh60 billion from two bond auctions in January 2022, looking to take advantage of a lack of maturing debt in the month to close the domestic borrowing target for the year.

The Central Bank of Kenya (CBK), said the first of the auctions will take place on January 4, for a reopened five-year bond first sold in 2020.

Elsewhere in the industry Listed banks have become more efficient this year, cutting their cost to income ratios on a rebound in profits amid sustained efforts to cut expenses through measures such as closure of branches and staff layoffs.

Six of the 10 listed local lenders cut their cost to income ratio in the nine months to September compared to the corresponding period in 2020, meaning they were effectively spending less to generate every shilling of income.

Indicative Forex Rates

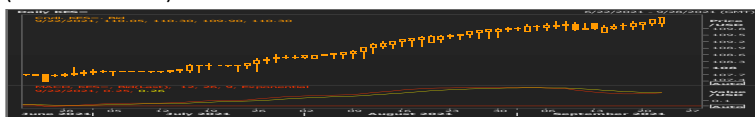
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	109.65	116.65	111.15	116.15
GBP/KES	147.10	155.10	146.80	155.50
EUR/KES	123.93	131.83	124.73	132.23
AED/KES	29.31	32.31	28.81	32.81

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.570%	4.960%	0.610
91-Day T-bill		7.265%	7.280%	-0.015
182-Day T-Bill		7.977%	7.984%	-0.013
364-Day T-Bill		9.164%	9.091%	0.173
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	0.32550	-0.56643	0.43113
12 months	0.54200	-0.49786	0.77538

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The safe-haven dollar languished near an almost one-week low against its major peers on Thursday as investors adopted a more optimistic stance about the global economic outlook, despite the rapid spread of the Omicron coronavirus variant.

Sterling rose against the dollar and edged up on the euro on Wednesday, despite official data showing Britain's economy grew more slowly than previously thought before the recent Omicron variant-driven surge in COVID-19 cases. Official data showed British gross domestic product grew by 1.1% in the third quarter between July and September, weaker than a preliminary estimate of growth of 1.3%.

In African markets, South Africa's rand firmed against the dollar on Wednesday, as risk appetite continued to improve on expectations the impact of the Omicron variant on the global economy will be limited based on early data.

The rand traded at 15.8500 against the dollar, 0.06% stronger than its previous close.

In the commodities market, Gold prices edged higher on Thursday in thin year-end trading, as the safe-haven dollar weakened following encouraging study results on the Omicron COVID-19 variant and rising optimism about the global economic outlook.

Global oil demand roared back in 2021 as the world began to recover from the coronavirus pandemic, and overall world consumption potentially could hit a new record in 2022 - despite efforts to bring down fossil fuel consumption to mitigate climate change.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	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.