



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25th NOVEMBER 2021

DOMESTIC NEWS

The shilling further weakened to the greenback on Wednesday citing the end month dollar demand in the wake of its shortage in supply. The losing streak for the local units has persisted in each of the past 42 trading sessions.

This is triggering concerns over the possibility of a rise in inflation as we head towards the festive season. The reopening of the economy from the Covid-19 curfews saw the demand for most of the consumer goods rise. The players continue to keep an eye on any new developments as flows continue to guide the direction for the USDKES pair.

The pair stood at 112.38/112.53 by the close of the day, compared to previous days close of 112.30/112.50.

In other news commodities the price of coffee at the weekly auction dipped by 1.3 percent on buyer concerns about the lower quality beans offered for sale.

The latest data by the Nairobi Coffee Exchange (NCE) shows that a 50-kilogramme bag of the commodity fetched Sh39,880.73 during this week's sale down from Sh40,419 last week.

The price of the beverage had shot up by 13 percent in the previous sale — the highest margin of increase this year.

Indicative Forex Rates

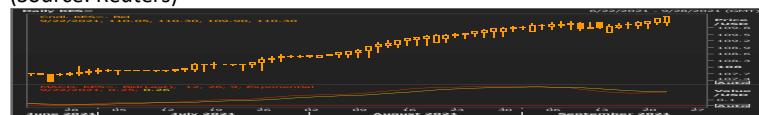
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.90	115.90	110.40	115.40
GBP/KES	145.99	153.99	145.69	154.39
EUR/KES	121.64	129.94	122.44	19.94
AED/KES	29.10	32.10	28.60	32.60

Money Market Rates	Current	Previous	Change
Interbank Rate	5.250%	5.190%	0.060
91-Day T-bill	7.114%	7.070%	0.044
182-Day T-Bill	7.747%	7.683%	0.064
364-Day T-Bill	8.840%	8.745%	0.095
Inflation	6.450%	6.950%	-0.500
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.25188	-0.57771	0.30488
12 months	0.44900	-0.49029	0.68350

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar traded at its highest in over a year to the euro and near a five-year high against the yen as a hawkish tilt by Federal Reserve policymakers, buoyed by strong U.S. data, contrasted to more dovish monetary outlooks in Europe and Japan. (Source Reuters)

The euro fell on Wednesday after a survey showed German business morale deteriorated in November, while the Turkish lira remained under pressure as President Tayyip Erdogan defended rate cuts despite surging inflation. A survey by the Ifo institute showed that the German business sentiment worsened for a fifth month as supply challenges in manufacturing and a spike in coronavirus infections clouded the growth outlook for Europe's largest economy

GBP on the other hand hit a fresh 11-month low against the dollar on Wednesday as expectations for a rate hike supported the greenback, while it was slightly higher against the euro.

Investors remain focused on whether the Bank of England will raise interest rates at its December meeting, wondering about the impact of the new wave of COVID-19 cases across the continent.

On commodities, Oil prices were largely steady on Wednesday as investors questioned the effectiveness of a U.S.-led release of oil from strategic reserves and turned their focus to how producers will respond. Gold prices slipped to a three-week low on Wednesday as robust U.S. economic data lifted the dollar and Treasury yields, with jitters around a sooner-than-expected interest rate hike from the Federal Reserve adding to the downbeat mood

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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1121	1.1467
GBP/USD	1.3229	1.3639
USD/AED	3.6645	3.6899
USD/JPY	108.29	116.65

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