



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 29th NOVEMBER 2021

DOMESTIC NEWS

The shilling traded flat underpinned by slow importer demand for hard currency. As at the close of business on Friday commercial banks quoted the USD/KES 112.30/50 unmoved from Thursday's close.

The market sentiments remain a weakening local currency as the country ends to the festive season.

In other news, The Central bank of Kenya holds its monetary policy committee meeting of 2021 today. It is expected that concerns of inflation and credit to the private sector will feature prominently. For the first time in 6 months inflation dropped in October citing a reduction in transport costs. However a depreciating shilling and an elevated food prices have renewed fears of a rise in the cost of living as we enter the festive season.

In other news the Treasury will waive duty on yellow maize a month after President Uhuru Kenyatta issued a directive on emergency measures to lower the cost of animal feeds, exposing Kenyans to costly food as farmers pass on the cost to the consumer.

The President issued his directive on October 20 to the Agriculture Ministry and the Treasury to come up with intervention measures within seven days from the date, to address the rising cost of feed that has now hit a historic high.

(Source Business daily)

Indicative Forex Rates

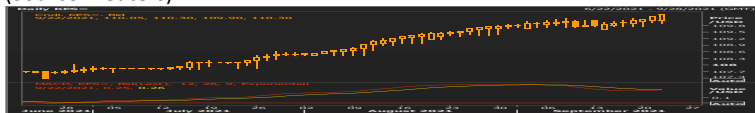
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.95	115.95	110.45	115.45
GBP/KES	146.01	154.01	145.71	154.41
EUR/KES	122.46	130.36	123.26	130.76
AED/KES	29.11	32.11	28.61	32.61

Money Market Rates	Current	Previous	Change
Interbank Rate	5.300%	5.210%	0.090
91-Day T-bill	7.181%	7.114%	0.067
182-Day T-Bill	7.835%	7.747%	0.088
364-Day T-Bill	8.944%	8.840%	0.104
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	0.24600	-0.55200	0.27325
12 months	0.41038	-0.49971	0.63400

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

Last week Dollar the dollar climbed to highs not seen since July 2020 after the Fed chair was renominated to the position. That decision gave a somewhat clearer outlook for monetary policy in the year ahead, including the likelihood of coming rate hikes.

Against the sterling the green back was strong with the pair trading at 1.3350 mark, an indicator for a subdued pound. GBP/USD is skewed downwards as it continues to bear the brunt of the latest Omicron covid variant and ongoing Brexit woes.

In Asia the Currency markets calmed on Monday after the initial shock of Omicron's discovery sent investors scurrying for cover last week, but analysts warned of more volatility with little still known about the new coronavirus strain.

The risk-sensitive Australian dollar rose 0.37% to \$0.7139, recovering after a 1% tumble on Friday that saw it dip to \$0.71125 for the first time since Aug. 20.

In the commodities space the renewed optimism that the effects of the new Omicron covid variant will likely be mild and the risk sentiment stabilizing in Asia this Monday is limiting the recovery momentum in gold price.

Further, the US dollar rebound alongside the Treasury yields' keeps gold bulls in check. However, if the virus concerns escalate, then gold price is likely to extend its rebound above the \$1,800 mark.

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	1.1125	1.1463	
GBP/USD	1.3135	1.3645		
USD/AED	3.6652	3.6896		
USD/JPY	108.30	116.70		

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.