



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 10<sup>TH</sup> AUGUST 2022

### DOMESTIC NEWS

The Kenyan shilling was range bound against the greenback on Monday as market activity remained subdued. The demand and supply counters were well matched leading the shilling to be confined within the recently established ranges. Market trading volumes remained thin as traders looked to cover for the necessary flows. The movement in the local currency is likely to remain flow based as foreign currency buyers and sellers battle for dominance in the local forex market. Markets were closed on Tuesday as focus turned to election voting. By close of day, the local unit stood at 119.20/119.40 the same as Friday's close.

Meanwhile, the usable foreign exchange reserves remained adequate at USD 7,721 million (4.45 months of import cover) as at August 4. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover.

	7-Jul-22	14-Jul-22	21-Jul-22	28-Jul-22	4-Aug-22
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,997	7,953	7,727	7,740	7,721
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.61	4.59	4.46	4.46	4.45

\*Based on 36 months average of imports of goods and non-factor services

Source: Central Bank of Kenya

### Indicative Forex Rates

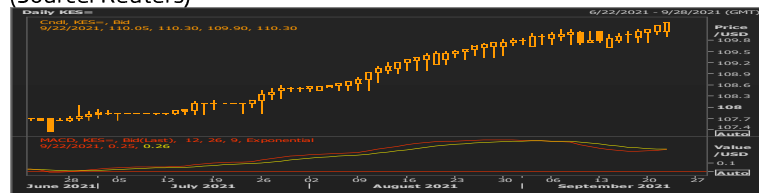
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	115.85	126.85	115.35	125.85
GBP/KES	140.20	159.61	139.31	154.11
EUR/KES	116.62	142.52	116.92	135.52
AED/KES	28.48	42.48	30.48	41.98

Money Market Rates	Current	Previous	Change
Interbank Rate	5.588%	5.496%	0.092
91-Day T-bill	8.473%	8.399%	0.074
182-Day T-Bill	9.253%	9.196%	0.057
364-Day T-Bill	9.920%	9.946%	-0.026
Inflation	8.300%	7.900%	0.400
CBR RATE	7.500%	7.500%	0.000

Source: Central Bank of Kenya)

TENOR	USD SOFR RATES	EUR STR RATES	GBP SONIA RATES
3 Months	2.73025	-0.51232	1.98430
6 months	3.10896	-0.54520	2.37950

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar steadied on Wednesday at 106.33 as investors waited for a key U.S. report on inflation to provide hints to the Federal Reserve's plans for future monetary tightening. The big focus for traders is on Wednesday's U.S. Consumer Price Index report, which is expected to show that decades-high inflation eased in July following back-to-back 75-basis point hikes by the Fed in June and July. For the Fed to remain calm and turn neutral, a series of drops in the cost-push inflation is desired. A one-time slowdown in the price pressures won't be enough to trim the journey towards the neutral rate, however, exhaustion signals would delight Fed policymakers. But data on Friday showed that U.S. employers hired far more workers than expected last month, with wages still rising at a strong clip, boosting bets for another mammoth rate hike by the Fed at its Sept. 20-21 meeting.

The GBP/USD pair is displaying topsy-turvy moves in a range of 1.2079-1.2085 on Wednesday. Investors have preferred to remain on the sidelines ahead of the US Consumer Price Index (CPI) data, which is highly expected to surprise the market participants this time.

The euro grinds higher around the daily top surrounding 1.0220 during the early European morning on Wednesday. The major currency pair recently cheered the US dollar rebound but the cautious mood ahead of the inflation numbers from Germany and the US appear to challenge the pair buyers.

Elsewhere, global oil prices eased on Wednesday to \$96.08 per barrel after industry data showed U.S. crude inventories unexpectedly rose last week, signaling a potential hiccup in demand, though concerns over supply kept losses in check.

### Indicative Profit Rates on Deposits

	Amounts > 10 million	Amounts >100,000
	KES	USD
2 Weeks	6.55%	0.35%
1 Month	6.75%	0.55%
3 Months	7.00%	0.80%
6 Months	7.50%	1.25%
1 year	8.00%	1.75%

### Indicative Cross Rates

	Bid	Offer
EUR/USD	0.9870	1.1260
GBP/USD	1.1640	1.2570
USD/AED	3.6645	3.6890
USD/JPY	129.50	139.80

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.