



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

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

### DOMESTIC NEWS

The Kenya shilling weakened on Wednesday to a new record low on Wednesday citing the rising global energy prices. The Ukraine and Russia war has been the major cause of the surging energy prices stressing the dollar demand in the local market.

Commercial banks quoted the shilling at 114.05/114.25 per dollar, compared with Tuesday's closing rate of 114.00/114.20 per dollar which is the lowest in history.

In other news in the market, Central Bank of Kenya (CBK) rejected bids worth Sh22.5 billion in the March Treasury bond sale after investors demanded higher rates amid concerns over inflation and a weakening shilling due to rising global commodity prices.

Three bonds—a five-year, 15-year and 25-year paper—sought to raise a total of Sh50 billion but attracted bids of Sh40.9 billion. The government's fiscal agent took only Sh18.45 billion, rejecting most of the bids including those that sought interest rates above 14 percent.

### Indicative Forex Rates

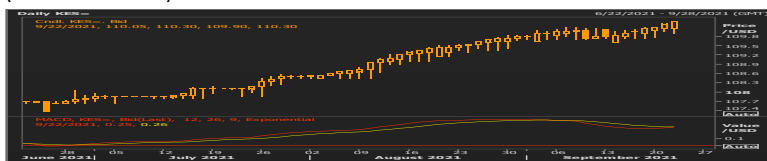
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.60	117.60	112.10	117.10
GBP/KES	146.32	154.32	146.02	154.72
EUR/KES	121.79	129.69	122.59	130.09
AED/KES	29.56	32.56	29.06	33.06

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.100%	5.550%	-0.450
91-Day T-bill		7.265%	7.254%	0.011
182-Day T-Bill		8.063%	8.062%	0.001
364-Day T-Bill		9.774%	9.764%	0.010
Inflation		5.080%	5.390%	-0.310
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.02371	0.03836	1.45700
12 months	1.44686	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar was up on Thursday morning in Asia, while the euro held onto most of its overnight gains. The latter had posted its steepest daily jump in nearly six years after a meeting between Ukrainian and Russian foreign ministers, and investor sentiment also improved as oil prices eased.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies was up 0.23% to 98.175 by 10:20 PM ET (3:20 AM GMT).

The USD/JPY pair was up 0.29% to 116.16 while the AUD/USD pair inched down 0.08% to 0.7317 and the NZD/USD pair edged down 0.18% to 0.6825.

The euro on the other hand was trading at \$1.1047 after jumping 1.6% on Wednesday, its best day since June 2016, along with gains in European stocks and a sell off in bonds.

In the commodities market, Gold was down on Thursday morning in Asia as Investors retreated from the safe-haven yellow metal as U.S. Treasury yields rose and oil fell following comments from the United Arab Emirates (UAE).

Gold futures edged down 0.11% to \$1,986.10 by 11:42 PM ET (4:42 AM GMT), after falling 1% earlier in the session.

Oil prices rose following a sharp drop in the previous session as the market contemplated whether major producers would boost supply to help plug the gap in output from Russia due to sanctions for its invasion of Ukraine.

Brent crude futures were up \$3.10, or 2.8%, at \$114.24 a barrel at 0419 GMT after trading in a more than \$5 range. The benchmark contract slumped 13% in the previous session in its biggest one-day drop in nearly two years.

U.S. West Texas Intermediate (WTI) crude futures were up \$1.58, or 1.5%, at \$110.28 a barrel, after trading in a more than \$4 range.

### 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	1.0570	1.1357
GBP/USD	1.3123	1.3949
USD/AED	3.6431	3.6323
USD/JPY	111.25	117.79

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.