



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH NOVEMBER 2022

DOMESTIC NEWS

Kenya Shilling slipped a fraction on Wednesday as dollar demand from importers such as manufacturers and fuel marketers outmatched supply. Commercial banks quoted the shilling at 121.60/80 per dollar compared with Monday's closing rate of 121.55/75.

In other news locally, October's infrastructure bond whose sale concluded this week is now paying the highest interest among outstanding government securities issuances at nearly 14 percent after the Central Bank of Kenya softened its hard stance against accepting high priced bids in the monthly auction.

The results of the sale that were published yesterday by the CBK show that the 14-year bond, which had targeted Sh60 billion, realized investor bids worth Sh91.8 billion, out of which the government took up Sh75.6 billion. The average rate of the accepted bids was 13.94 percent, against an average of 14.03 percent demanded by investors. (Business daily)

Indicative Forex Rates

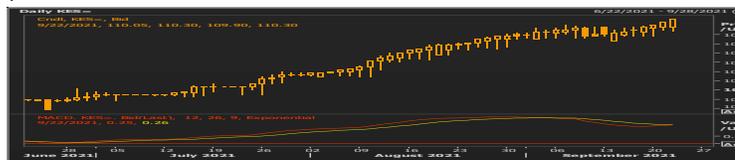
| | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 118.25 | 128.75 | 117.75 | 128.25 |
| GBP/KES | 136.60 | 156.10 | 135.80 | 150.60 |
| EUR/KES | 117.71 | 143.61 | 118.01 | 136.61 |
| AED/KES | 29.15 | 39.15 | 31.15 | 38.65 |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate | 4.290% | 4.500% | 0.210 |
| 91-Day T-bill | 9.139% | 9.127% | 0.012 |
| 182-Day T-Bill | 9.691% | 9.678% | 0.013 |
| 364-Day T-Bill | 10.109% | 9.965% | 0.144 |
| Inflation | 9.600% | 9.200% | 0.040 |
| CBR RATE | 7.500% | 8.250% | 0.750 |

Source; Central Bank of Kenya)

| LIBOR Rates | USD | JPY | GBP |
|-------------|---------|---------|---------|
| 6 Months | 5.13443 | 0.04083 | 4.06220 |
| 12 months | 5.64029 | - | - |

(Source: Reuters



INTERNATIONAL NEWS

Most Asian currencies retreated on Thursday, while the dollar recovered from recent losses as focus turned to upcoming CPI inflation data that is widely expected to set the tone for U.S. monetary policy in the near-term.

China's yuan down 0.3% amid dwindling hopes that the country will relax its strict anti-COVID measures in the near-term.

The Japanese yen rose slightly to the dollar, but a recovery rally in the currency now appeared to have cooled as the dollar found its footing.

The dollar index and dollar futures fell 0.3%, but retained most of a 0.8% jump from Wednesday as markets awaited U.S. CPI inflation data due later in the day. The reading is expected to show that U.S. price pressures were pinned near 40-year highs in October, indicating that the Fed needs to engage in much more monetary tightening to curb inflation.

In the commodities market, Oil prices fell further on Thursday amid growing concerns over a slowdown in global economic growth, with focus now turning to upcoming U.S. inflation data.

Brent oil futures fell slightly to \$92.41 in early Asian trade, while West Texas Intermediate crude futures fell 0.3% to \$85.61 a barrel. Both contracts are trading down 7.4% and 6% for the week, respectively.

Gold prices trimmed recent gains on Thursday but remained pinned near a one-month high amid uncertainty over the U.S. midterm elections and as markets awaited key inflation data from the country later in the day.

Gold prices benefited from some haven demand, as doubts over the direction of U.S. fiscal policy dented the dollar and broader stock and currency markets.

Spot gold fell slightly to \$1,706.32 an ounce, while gold futures were largely unchanged at \$1,709.30 an ounce by 18:58 ET (23:58 GMT). Both instruments fell 0.3% on Wednesday but were trading up about 2% for the week.

In the commodities market, Indicative Profit Rates on Deposits

| | Amounts > 10 million | Amounts >100,000 |
|----------|----------------------|------------------|
| | KES | USD |
| 2 Weeks | 6.00% | 1.25% |
| 1 Month | 6.55% | 2.00% |
| 3 Months | 7.00% | 2.50% |
| 6 Months | 7.50% | 3.25% |
| 1 year | 8.00% | 4.00% |

Indicative Cross Rates

| | Bid | Offer |
|---------|--------|--------|
| EUR/USD | 0.9856 | 1.0245 |
| GBP/USD | 1.1240 | 1.1665 |
| USD/AED | 3.6630 | 3.6832 |
| USD/JPY | 144.25 | 148.55 |

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.