



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH MAY 2022

DOMESTIC NEWS

The Kenya shilling eased slightly against the dollar on Monday, hit by unmatched greenback demand from fuel importers and manufacturers. Commercial banks quoted the shilling at 115.95/116.05 per dollar compared to Monday's close of 115.85/05.

In other local news banks have seen customers resume normal payments on 90 percent of the loans that were restructured in the wake of the Covid-19 pandemic in early 2020. This has eased pressure on the lender's capital besides boosting their earnings, with many institutions posting record profits for the year ended December.

Elsewhere the Sugar Directorate exceeded the sugar import limits set by the National Treasury last year by 102 percent despite a significant increase in production of the commodity. Data from the Kenya National Bureau of Statistics (KNBS) shows that the directorate issued permits that allowed the importation of 426,000 tonnes against 210,000 tonnes –the limit that was put in place for duty-free sugar.

Indicative Forex Rates

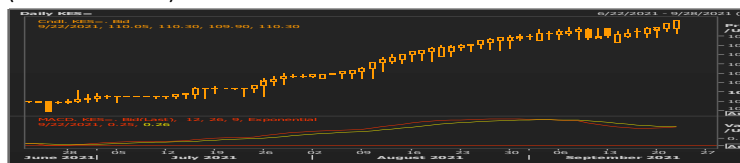
| | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 112.60 | 123.60 | 114.10 | 122.10 |
| GBP/KES | 139.22 | 152.22 | 138.92 | 148.72 |
| EUR/KES | 118.00 | 130.90 | 118.80 | 127.40 |
| AED/KES | 30.11 | 33.11 | 28.45 | 33.45 |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate | 4.660% | 4.670% | -0.010 |
| 91-Day T-bill | 7.580% | 7.497% | 0.083 |
| 182-Day T-Bill | 8.542% | 8.458% | 0.084 |
| 364-Day T-Bill | 9.840% | 9.776% | 0.021 |
| Inflation | 6.500% | 5.560% | 0.940 |
| CBR RATE | 7.000% | 7.000% | 0.000 |

Source; Central Bank of Kenya)

| LIBOR Rates | USD | JPY | GBP |
|-------------|---------|---------|---------|
| 6 Months | 1.98014 | 0.03097 | 1.66890 |
| 12 months | 2.67486 | - | - |

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Wednesday morning in Asia, but remained near a two-decade high, ahead of U.S. inflation that could indicate how aggressively the Federal Reserve will tighten monetary policy.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.06% to 103.69 by 11:23 PM ET (3:23 AM GMT). The index was not far from the high of 104.49 hit at the beginning of the week for the first time since December 2002.

On the other hand, the euro remained at 1.05305, continuing to trade mostly sideways since hitting a more than five-year low at 1.04695 at the end of the previous month while the Japanese Yen continued to get some respite as benchmark U.S. Treasury yields pressed pause on their recent rally. The Japanese currency was little changed after dropping to a more than two-decade low of 131.35 on Monday.

In the commodities market Oil was up on Wednesday morning in Asia, as investors await US and China economic data. Brent rose 1.38% to \$103.87 by 10:24 PM ET (2:24 AM GMT) and crude oil WTI futures jumped 1.27% to \$101.03. Investors will be keeping an eye on China's April factory gate prices and the US consumer-price index. A stronger dollar affects commodities like oil that are priced in the currency.

Gold was down on Wednesday morning in Asia, hitting its lowest level since February 11, as investors eyed the rising dollar and inflation data. Gold futures were down 0.22% to \$1,836.96 by 11:06 PM ET (3:06 AM GMT). The Dollar, which normally moves inversely to the gold, inched down on Wednesday morning, but the moves were small. The tightened policy to fight inflation from the U.S. Federal Reserve has fueled five weeks of gains for the dollar.

Indicative Profit Rates on Deposits

| | Amounts > 10 million | |
|----------|----------------------|-------|
| | 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 | 1.0135 | | 1.1460 | |
| GBP/USD | 1.2010 | | 1.3365 | |
| USD/AED | 3.6150 | | 3.6955 | |
| USD/JPY | 127.30 | | 135.50 | |

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