



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH NOVEMBER 2022

DOMESTIC NEWS

Kenya Shilling was stable on Thursday although pent up dollar demand from importers like fuel marketers and the manufacturing sector was seen applying pressure.

Commercial banks quoted the shilling at 121.70/90 per dollar same as Wednesday's close.

In other news locally, foreign investors at the Nairobi Securities Exchange (NSE) cut the number of shares they hold at the bourse by 360 million in the nine months to September, reflecting the sustained flight of capital from emerging economies to the West in the period.

The Capital Markets Authority in its market soundness report for the third quarter shows that foreign individual and institutional investors held 16.84 billion shares at the bourse at the end of September, down from 17.2 billion at the beginning of January.

This is indicative of these investors selling more than they were buying in the period, which resulted in a net outflow of Sh19.5 billion on their portfolios. (Business daily)

Indicative Forex Rates

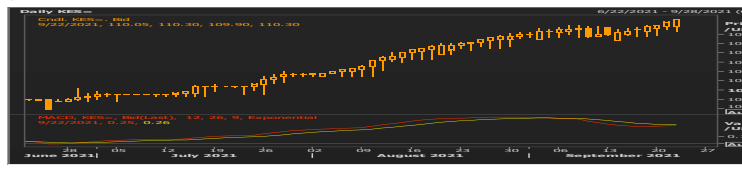
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	118.35	128.85	117.85	128.35
GBP/KES	138.41	157.91	137.61	152.41
EUR/KES	119.34	145.24	119.64	138.24
AED/KES	29.17	39.17	31.17	38.67

Money Market Rates	Current	Previous	Change
Interbank Rate	4.200%	4.290%	0.09
91-Day T-bill	9.173%	9.139%	0.012
182-Day T-Bill	9.706%	9.691%	0.013
364-Day T-Bill	10.186%	10.109%	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	5.15629	0.04083	4.07140
12 months	5.63286	-	-

(Source: Reuters



INTERNATIONAL NEWS

The dollar hovered around two-month lows on Friday after falling sharply on data that showed U.S. inflation eased more than expected, with Treasury yields also down as investors positioned for a smaller interest rate hike by the Federal Reserve in December.

The dollar index and dollar index futures were flat on Friday after plummeting 2.2% in the prior session to their lowest point since mid-September. 10-year U.S. Treasury yields fell below 4% and hit an over one-month low.

Data on Thursday showed U.S. CPI inflation grew 7.7% in October, its slowest pace in nine months. The reading showed that a series of sharp interest rate hikes by the Fed this year were now beginning to have the intended effect of bringing down inflation. It also drove up expectations that the Fed will now slow its pace of rate hikes in the coming months.

In the commodities market, Oil prices picked up on Friday after a milder than expected U.S. inflation data reinforced hopes that the Federal Reserve will slow down rate hikes, boosting chances of a soft landing for the world's biggest economy.

Prices were still set to show a decline for the week after COVID-19 cases in top oil importer China jumped, raising fears of weaker fuel demand.

Brent crude futures rose 21 cents, or 0.2%, to \$93.88 a barrel at 0500 GMT, extending a 1.1% rise in the previous session.

U.S. West Texas Intermediate (WTI) crude futures gained 22 cents, or 0.3%, to \$86.69 a barrel, after climbing 0.8% in the previous session.

Gold prices stuck to a 2-½ month high on Friday and were set for their best week in over eight months as signs of cooling U.S. inflation drove up hopes that the Federal Reserve will trim its pace of interest rate hikes in the coming months.

Spot gold fell 0.2% to \$1,751.92 an ounce, while gold futures fell 0.2% to \$1,755.20 an ounce by 19:04 ET (00:04 GMT). Both instruments rallied nearly 3% on Thursday and were set to gain 4.3% this week - their best performance since late-February.

In the commodities market, Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000	
	KES	USD	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	1.0014	1.0415
GBP/USD	1.1505	1.1905
USD/AED	3.6630	3.6832
USD/JPY	140.25	143.60

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.