



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH JULY 2022

DOMESTIC NEWS

Kenya shilling was steady on Tuesday but it is expected to weaken due to increased demand for dollars from importers in the manufacturing and energy sectors.

Commercial banks quoted the shillings at 118.00/118.20 per dollar same as Friday's close. The markets remained closed on Monday for the Muslim Eid al-Adha holiday.

In other local news in the market Kenya's current account deficit widened further in May on sustained pressure from high fuel and food import costs, which negated improved dollar inflows from remittances and agriculture exports. The deficit as a percentage of GDP rose to 5.3 percent in the 12 months to May 2022 from 5.1 percent in April, piling more pressure on the shilling as it meant there was a higher demand for dollars in the local market to fund the rising imports. The current account measures the difference between a country's forex inflows and outflows, falling into deficit when outflows are higher.

Indicative Forex Rates

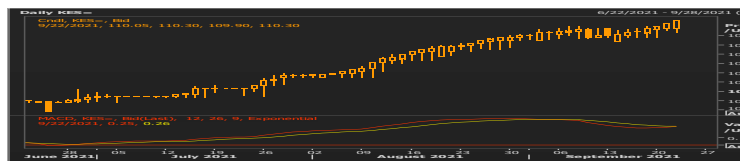
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.35	127.35	114.35	126.35
GBP/KES	136.86	154.36	136.06	150.86
EUR/KES	113.84	137.74	114.14	132.74
AED/KES	28.22	42.22	30.22	37.72

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.800%	5.890%	0.090
91-Day T-bill		8.167%	8.097%	0.070
182-Day T-Bill		9.253%	9.196%	0.057
364-Day T-Bill		9.980%	9.985%	- 0.005
Inflation		7.910%	7.080%	0.830
CBR RATE		7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.07043	0.03713	2.35170
12 months	3.72200	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was up on Wednesday morning in Asia, with investors wary a record-high reading in 40 years could fuel interest rate hike expectations from the U.S. Federal Reserve.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.10% to 108.18 by 12:24 AM ET (4:24 AM GMT).

The euro on the other hand hovered a whisker above parity on the dollar on Wednesday ahead of U.S. inflation data, with traders wary a sky-high reading could force it to low not seen in decades. The common currency languished at \$1.0036. It is down nearly 12% this year and fell to a 20-year low on Tuesday as the war in Ukraine has triggered an energy crisis that has hurt the continent's growth outlook. It dropped as low as \$1.00005 on the most widely used Electronic Broking Services' dealing platform and touched \$1 on Reuters dealing overnight.

In the commodities market, Oil edged up on Wednesday, a day after it fell through \$100 a barrel for the first time since April, while traders looked towards U.S. inflation data that could weaken the market. Brent crude futures were up 24 cents, or 0.2%, at \$99.73 a barrel at 0325 GMT. U.S. West Texas Intermediate crude gained 10 cents, or 0.1%, to \$95.94.

Gold was down on Wednesday morning in Asia. U.S. strengthened ahead of U.S. inflation data for June, which is expected to hit a record high. Gold futures inched up 0.06% to \$1,726.00 by 11:36 PM ET (3:36 AM GMT).

Benchmark U.S. 10-year Treasury yields rose, denting the demand for non-yielding gold. Investors now await U.S. Consumer Price Index (CPI) for more clues on the U.S. Federal Reserve's monetary policy path, which is due later in the day. Analysts predicted that the print would hit a pandemic peak in June from a year earlier, the largest jump since 1981.

Indicative Profit Rates on Deposits		
	Amounts > 10 million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	0.35%
1 Month	6.55%	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	0.9925	1.0225
GBP/USD	1.1624	1.2025
USD/AED	3.6527	3.6931
USD/JPY	135.85	139.05

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.