



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13th OCTOBER 2022

DOMESTIC NEWS

The Kenya shilling was steady against the dollar in quiet trading on Wednesday with supply and demand evenly matched. Commercial banks quoted the shillings at 120.80/121.00 per dollar same as Tuesday's close. In other news, the government will issue a local bond denominated in dollars as an alternative to fund the budget. This comes at a time Kenya has shifted focus to borrowing locally due to the expensive foreign debt. The bond will entice many local investors to release the dollars into the market after stocking the currency for long looking to earn from the weakening local currency.

President Ruto said the government will issue a dollar-denominated bond as part of the strategy to raise financing for government projects through the Nairobi bourse as faulted borrowing from external markets. (Business daily)

Indicative Forex Rates

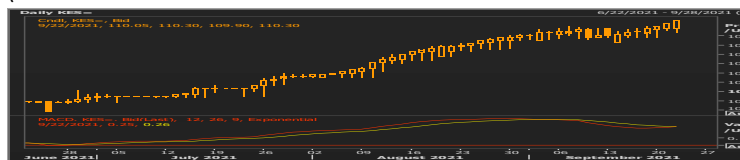
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.50	128.00	117.00	127.50
GBP/KES	130.18	149.68	129.38	144.18
EUR/KES	112.52	138.42	112.82	131.42
AED/KES	28.94	38.94	30.94	38.44

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.400%	5.400%	0.000
91-Day T-bill		9.036%	8.952%	0.084
182-Day T-Bill		9.639%	9.631%	0.008
364-Day T-Bill		9.905%	9.905%	0.000
Inflation		9.200%	8.530%	0.670
CBR RATE		7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	4.45329	0.04456	4.50880
12 months	5.09843	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The Japanese yen continued to weaken against the dollar on Thursday, nearing its weakest level in 32 years as a hotter-than-expected inflation reading added to pressure from rising interest rates across the globe.

The yen fell as far as 146.93 to the dollar, coming just a few points short of its weakest level since 1990. The currency took little support from warnings by Japanese policymakers against selling the currency, moving past levels at which authorities had intervened in currency markets last month.

On the other hand, Sterling fell to a two-week low of \$1.0925 after Bailey's remarks, which were reiterated by a central bank spokesperson on Wednesday. The currency later rebounded to stand 1.2% higher at \$1.1083, after the FT report which said the BoE had suggested to private lenders that it was open to extending its bond purchases.

In the commodities market, Oil prices struggled to find their footing in Asian trade on Thursday after easing in the previous session on the back of a weakening global demand outlook.

Brent crude futures dropped 7 cents, or 0.1%, to \$92.38 a barrel by 0310 GMT. U.S. West Texas Intermediate crude was down 21 cents at \$87.06 a barrel, or 0.2%.

Gold prices were steady on Thursday after rising slightly in the prior session. Spot gold rose about 0.1% to \$1,673.62 an ounce, while gold futures rose 0.2% to \$1,681.1 an ounce.

Bullion prices sank this week amid more hawkish signals from the Federal Reserve, as well as growing haven demand for the dollar. Markets are now awaiting key U.S. CPI inflation data later today for more cues on the path of U.S. monetary policy. The reading is expected to show that inflation remained near 40-year highs in September.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	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	0.9506	0.9910
GBP/USD	1.0875	1.1279
USD/AED	3.6630	3.6832
USD/JPY	145.25	149.25

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.