



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 14<sup>TH</sup> APRIL 2022

### DOMESTIC NEWS

The Kenya shilling was steady again on Wednesday with some hard currency inflows from exporters of commodities like coffee lending support. Commercial banks quoted the shillings at 115.35/55.

In other local news, the average interest charged on loans by Kenya's commercial banks has risen to its highest level in two years amid increased demand for credit as the economy recovers from Covid-19 disruptions.

The latest data by the Central Bank of Kenya (CBK) shows the lending rate hit 12.17 percent in February –the highest since February 2020 when it stood at 12.19 percent. Demand for credit has gone up in the personal and household, trade, and manufacturing segments, with banks seeking regulatory approval to raise rates on riskier borrowers.

Several lenders have sought approval from the CBK to switch to risk-based loan pricing, setting the stage for expensive credit for small traders and workers in the informal sector.

### Indicative Forex Rates

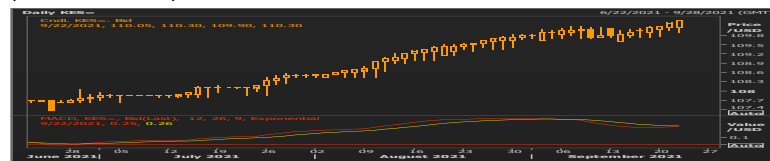
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	111.95	118.95	113.45	118.45
GBP/KES	147.73	155.73	147.43	156.13
EUR/KES	121.73	129.53	122.43	129.93
AED/KES	29.93	32.93	29.43	33.43

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.34%	4.50%	-0.170
91-Day T-bill		7.377%	7.302%	0.019
182-Day T-Bill		8.219%	8.164%	0.030
364-Day T-Bill		9.743%	9.752%	0.015
Inflation		5.560%	5.080%	0.480
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.56414	0.04823	1.50910
12 months	2.30771	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar lost ground against most major peers on Thursday, falling from two-year peak hit overnight, as U.S. yields paused their march higher after U.S data released earlier in the week showed inflation lower than some analysts had feared.

Even the battered yen had some respite, making a small recovery from a 20-year low hit overnight, though analysts reckoned the yen's tone remained weak.

Otherwise, investors were awaiting a European Central Bank meeting later in the day, to see whether it was as hawkish as some of its global peers, after a spate of rate increases in recent days.

The dollar index, which measures the greenback against six peers, was down 0.17% at 99.670, compared to Wednesday's intraday peak of 100.52, its highest since May 2020.

The pound rose to its highest point in a week against the dollar, after gaining 0.9% on Wednesday, the biggest daily percentage gain since June 2021. The U.K. producer price index input grew 19.2% year-on-year, and 5.2% month-on-month, while the consumer price index grew 7% year-on-year and 1.1% month-on-month, in March 2022.

In the commodities market, Oil was down on Thursday morning in Asia, giving up some of its sharp gains in the first half of the week. Investors are weighing a larger-than-expected build in U.S. crude supplies against a tightening market.

Brent oil futures edged down 0.20% to \$108.56 by 12:32 AM ET (4:32 AM GMT) and WTI futures fell 0.54% to \$103.69. Both Brent and WTI contracts on Wednesday ended the previous session roughly 4% higher, dismissing the large build in U.S. supplies.

Gold was down on Thursday morning in Asia. However, the yellow metal was set for a second consecutive weekly gain as the war in Ukraine and broadening inflationary pressures give the safe haven metal a boost.

### Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000	
	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	1.0109	1.1455
GBP/USD	1.2995	1.3345
USD/AED	3.6135	3.6949
USD/JPY	118.75	126.75

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.