



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14th OCTOBER 2022

DOMESTIC NEWS

The Kenya Shilling eased slightly on Thursday as dollar demand from fuel importers outpaced supply.

The local currency however has continued to tumble against the US dollar, racing towards the 121 mark on which could result in much higher cost of living.

The shilling exchanged at an average 120.93 to the dollar from 120.60 at the beginning of the month, as global factors among them the recent 0.75 percentage point Fed Rate hike continues to pill pressure on economies.

It comes on the back of shrinking forex reserves which fell to \$7.3 billion (KES 883.3 billion) last week from \$7.4 billion (KES 895.5 billion) a week earlier—the lowest level in seven years.

The situation is compounded by lower foreign funding, faster import growth and a slowdown in remittances, which experts say will continue affecting the shilling despite CBK's interventions. (Kenya wall street)

Indicative Forex Rates

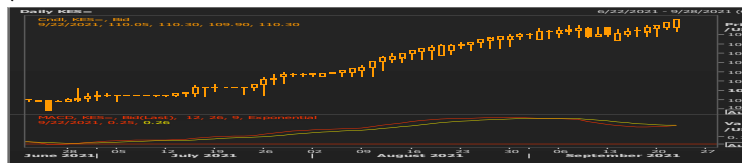
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.10	128.60	117.10	127.60
GBP/KES	133.23	146.23	132.43	147.13
EUR/KES	113.71	127.61	114.01	129.51
AED/KES	28.97	41.97	30.97	38.97

Money Market Rates	Current	Previous	Change
Interbank Rate	5.400%	5.400%	0.000
91-Day T-bill	9.058%	9.036%	0.022
182-Day T-Bill	9.656%	9.639%	0.017
364-Day T-Bill	9.910%	9.905%	0.005
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	4.49000	0.04456	4.51200
12 months	5.06771	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar fell against most currencies in volatile trading on Thursday, after initially spiking following a hotter-than-expected U.S. inflation report, as some investors thought the market's initial response to the data was excessive.

The greenback briefly hit a 32-year peak against the yen of 147.665 after the data and was last up 0.1% at 147.09 yen.

The euro also fell against the dollar initially to a two-week low, then rebounded to trade up 0.8% on the day at \$0.9773. It may have rallied from lows after a Reuters report, citing four sources, said European Central Bank staff see the need for fewer rate hikes than markets now estimate to tame inflation. That suggested that the situation in the euro zone may not be as dire as many thoughts.

In the commodities market, Oil prices reversed earlier losses and inched up in Asian trade on Friday, supported by a weaker U.S. dollar and as diesel inventories fell, while Saudi Arabia and Washington continued to clash over plans by OPEC+ to slash production.

Brent crude futures rose 29 cents, or 0.3%, to \$94.86 per barrel by 0242 GMT, while U.S. West Texas Intermediate (WTI) crude futures were up 31 cents, or 0.35%, at \$89.42 per barrel.

On the other hand, Gold prices fell on Friday and were set to close the week lower amid fears of more interest rate hikes by the Federal Reserve, while signs of tightening supply helped copper and aluminum prices weather a worsening economic outlook.

Bullion prices sank well below \$1,650 on Thursday - a key support level - after U.S. CPI inflation data read higher than expected for September. But they then rebounded sharply, tracking a broader risk-on rally that weakened the dollar.

Spot gold fell 0.3% to \$1,661.98 an ounce, while gold futures fell 0.5% to \$1,668.20 an ounce by 20:45 ET (00:45 GMT). But both instruments were set to lose 1.8% and 2.3%, respectively, this week.

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	0.9506	0.9910
GBP/USD	1.1108	1.1340
USD/AED	3.6630	3.6832
USD/JPY	145.25	149.95

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.