



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH JULY 2022

DOMESTIC NEWS

Kenya shilling was barely changed on Thursday but was forecast to continue declining due to increased demand for dollars from importers in most sectors of the economy.

Commercial banks quoted the shillings at 118.15/118.35 per dollar compared to Wednesday close of 118.10/118.30 on Wednesday.

In other local news in the market the market value of Limuru Tea has jumped to Sh1 billion after US-based private equity firm CVC Capital Partners made a takeover offer to the agricultural firm's minority owners. Limuru Tea's market capitalization jumped from Sh760 million on Tuesday last week –when the share price stood at Sh320– to touch a 52-week high of Sh420 on Thursday.

The stock has gained 42.37 percent over the past 12 months though on small volumes. The company has less than 200 retail investors, with its stock trading infrequently on the Nairobi Securities Exchange.

Indicative Forex Rates

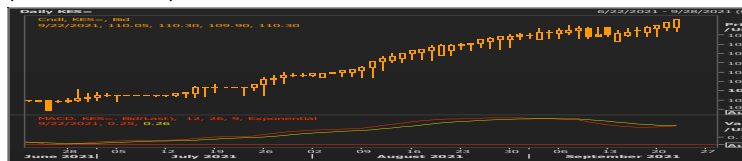
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.35	127.35	114.35	126.35
GBP/KES	136.86	154.36	136.06	150.86
EUR/KES	113.84	137.74	114.14	132.74
AED/KES	28.22	42.22	30.22	37.72

Money Market Rates	Current	Previous	Change
Interbank Rate	5.440%	5.800%	0.360
91-Day T-bill	8.248%	8.167%	0.081
182-Day T-Bill	9.305%	9.253%	0.052
364-Day T-Bill	9.986%	9.980%	0.006
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	3.06100	0.03713	2.36740
12 months	3.73414	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was up on Friday morning in Asia. Investors' expectations of a huge interest rate hike in July receded. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.03% to 108.57 by 12:41 AM ET (4:41 AM GMT). The dollar index is on track for a third winning week, up 1.58% from last Friday.

The USD/JPY pair inched up 0.08% to 139.01. The Bank of Japan has been committed to an ultra-easy policy to support the economy.

The AUD/USD pair inched down 0.04% to 0.6744, and the NZD/USD pair edged up 0.11% to 0.6136. The USD/CNY pair edged up 0.10% to 6.7634, while the GBP/USD pair inched up 0.08% to 1.1832.

The EUR/USD on the other hand edged up 0.13% to 1.0029. The eurozone is facing a worsening energy crisis as Russia shut down a gas pipeline for regular week-long maintenance. The European Central Bank is likely to stick to its quarter-point rate increase.

In the commodities market, Gold was up on Friday morning in Asia as the dollar rally eased on uncertainty over the scale of the U.S. interest rate hike. Gold futures inched up 0.04% to \$1,706.50 by 11:58 PM ET (3:58 AM GMT). According to an analyst at OANDA, Gold has wilted in the face of a stronger U.S. dollar this week but appears to be trying to form a temporary base ahead of \$1,700.00.

Oil prices rose on Friday amid prospects of a less aggressive U.S. rate hike, although worries about a recovery in demand capped gains.

Brent crude futures for September delivery rose \$1.25, or 1.3%, to \$100.35 a barrel by 0300 GMT, while WTI crude rose 90 cents, or 0.9%, to \$96.68 a barrel.

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	0.9915	1.0215
GBP/USD	1.1621	1.2023
USD/AED	3.6527	3.6931
USD/JPY	136.85	140.05

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.