



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH MAY 2022

DOMESTIC NEWS

The Kenya shilling inched lower against the dollar on Friday as demand for hard currency from the fuel sector was met with muted supply. Commercial banks quoted the shilling at 116.10/116.30 per dollar compared to Thursday's closing rate of 116.00/116.20.

In other local news in the market Investors at the Nairobi Securities Exchange (NSE) lost Sh294 billion in a month following a sell-off by foreigners that has pulled down the value of the bourse to a 20-month-low amid a profit and dividend boom. The market capitalisation dropped to Sh2.176 trillion on Friday after a steady fall that started on April 13 when the bourse's value stood at 2.471 trillion. Safaricom, East Africa Breweries Limited (EABL), Cooperative Bank, Equity and KCB Group led in shedding value in the wake of the sell-off.

Indicative Forex Rates

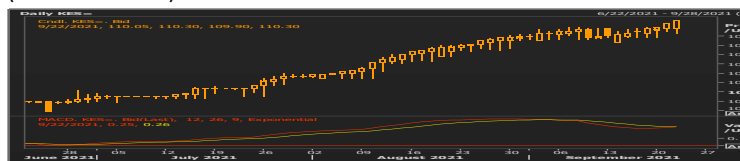
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	112.65	123.65	114.15	122.15
GBP/KES	138.23	151.23	137.93	147.73
EUR/KES	116.46	130.39	117.26	127.86
AED/KES	30.11	36.12	29.62	37.12

Money Market Rates	Current	Previous	Change
Interbank Rate	4.340%	4.660%	-0.320
91-Day T-bill	7.683%	7.580%	0.103
182-Day T-Bill	8.722%	8.542%	0.018
364-Day T-Bill	9.860%	9.840%	0.020
Inflation	6.500%	5.560%	0.940
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.99500	0.03220	1.67040
12 months	2.65214	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Monday morning in Asia, starting the week near a 20-year high. However, investors are turning to the U.S. currency thanks to fears about global growth while cryptocurrency markets appeared to find some stability after a tumultuous week.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.02% to 104.38 by 11:42 PM ET (3:42 AM GMT). The index briefly shot past the 105 level on Friday, its highest since December 2002, after six successive weeks of gains.

Investors have flocked to the safe-haven currency on concerns about the U.S. Federal Reserve's ability to dampen inflation without causing a recession, along with worries about slowing growth arising from the Ukraine crisis and the economic effects of China's zero-COVID-19 policy.

In the commodities market, Oil was down on Monday morning in Asia, giving up its earlier gains as investors took profits after the previous session's surge. However, the European Union (EU)'s impending ban on Russian crude imports is driving global supply fears. Brent oil futures dropped 2.18% to \$109.12 by 12:42 AM ET (4:42 AM GMT) and WTI futures fell 2.04% to \$106.41. Both Brent and WTI benchmarks, which jumped about 4% during the previous Friday, increased by more than \$1 a barrel earlier in the session, with WTI reaching its highest level since March 28 at \$111.71.

On the other hand, Gold edged up on Monday from a more than three-month trough hit in the previous session, as lower U.S. Treasury yields kept demand for zero-yield bullion afloat above the key psychological support level of around \$1,800 per ounce. Spot gold was up 0.1% at \$1,812.15 per ounce, as of 0227 GMT. U.S. gold futures gained 0.1% to \$1,809.80.

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	1.0303	1.0507
GBP/USD	1.2145	1.2347	
USD/AED	3.6630	3.6832	
USD/JPY	127.30	131.00	

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.