



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH JUNE 2022

DOMESTIC NEWS

Kenya shilling was little changed on Thursday and traders said it was expected to keep weakening due to increased importer demand for dollars from most sectors of the economy. Commercial banks quoted the shillings at 117.20/40 per dollar same as Wednesday's close.

In other local news in the market, The value of foreign currency deposits in local banks stood at an all-time high of Sh834.5 billion in April, boosted by the shilling's depreciation against the dollar and cautionary accumulation by buyers.

The deposits rose by Sh23.4 billion month-on-month, the latest data from the Central Bank of Kenya (CBK) shows a third straight monthly increase that has coincided with the weakening of the shilling to an all-time low of 117.29 units to the dollar from 113.14 at the beginning of the year.

Indicative Forex Rates

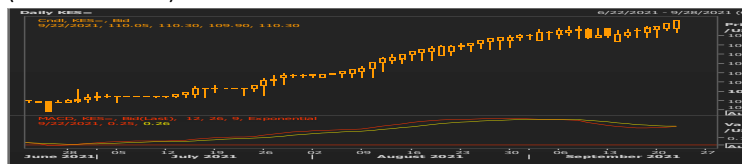
| | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 113.85 | 124.35 | 115.35 | 123.45 |
| GBP/KES | 138.42 | 152.42 | 137.12 | 152.82 |
| EUR/KES | 119.12 | 134.52 | 118.92 | 136.42 |
| AED/KES | 30.45 | 33.45 | 29.95 | 33.95 |

| Money Rates | Market | Current | Previous | Change |
|----------------|--------|---------|----------|--------|
| Interbank Rate | | 5.09% | 4.700% | 0.200 |
| 91-Day T-bill | | 7.925% | 7.866% | 0.067 |
| 182-Day T-Bill | | 9.096% | 9.037% | 0.073 |
| 364-Day T-Bill | | 9.961% | 9.952% | 0.054 |
| Inflation | | 7.080% | 6.500% | 0.580 |
| CBR RATE | | 7.500% | 7.000% | 0.500 |

Source; Central Bank of Kenya)

| LIBOR Rates | USD | JPY | GBP |
|-------------|---------|---------|---------|
| 6 Months | 2.74829 | 0.04083 | 2.16920 |
| 12 months | 3.61257 | - | - |

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was up on Friday morning in Asia, clawed back from a one-week low after sliding for two days with the U.S. Federal Reserve's interest rate hike decision.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies gained 0.57% to 104.014 by 12:49 AM ET (4:49 AM GMT).

The USD/JPY pair jumped 1.30% to 133.93 with the Bank of Japan's (BOJ) announcement earlier in the day to keep policy ultraloose despite rising inflation while global central banks are taking tight monetary policies, the yen retreated sharply.

In the commodities market, Oil was down on Friday morning in Asia, weighed down by demand concerns following global interest rate hikes. Brent oil futures were down 0.62% to \$119.07 by 12:13 AM ET (4:13 AM GMT) and crude oil WTI futures were down 0.69% to \$116.78.

The U.S. Federal Reserve announced Wednesday an interest rate hike of 75 basis points, sparking worries of an economic downturn. The Swiss National Bank also hike interest rates by 50 basis points on Thursday, while the Bank of England raised its interest rates to 1.25% on the same day. The tightening policies from central banks added to investors' concerns of an economic downturn.

On the other hand, Gold was down on Friday morning in Asia, as the U.S. dollar and U.S. Treasury yields clawed back after a decline during the previous session.

Gold futures were down 0.17% to \$1,847.05 by 11:22 PM ET (3:22 AM GMT). The dollar, which normally moves inversely to gold, was up on Friday morning.

Benchmark U.S. 10-year Treasury yields strengthened after a sharp fall on Thursday, denting demand for non-yielding bullion.

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 | 1.0323 |
| GBP/USD | 1.2094 | 1.2301 |
| USD/AED | 3.6526 | 3.6935 |
| USD/JPY | 132.55 | 136.95 |

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.