



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 17TH MAY 2022

DOMESTIC NEWS

The Kenya shilling was unchanged on Monday, and it's expected to ease due to increased demand for dollars from importers. Commercial banks quoted the shilling at 116.10/116.30 per dollar same as previous sessions close.

In the local news on commodities the weekly Mombasa Tea Auction held on 9th, 10th, and 11th May 2022 had 13.1 million kilograms of tea offered for sale. The amount on offer increased from 12.7 million kilograms during the previous sale, and from 12.4 million kilograms offered during a similar period last year. Of all the tea offered for sale, 9.5 million kilograms were sold, compared to 9.4 million kilograms during the previous sale, and 11 million kilograms during the same period last year.

The tea auction recorded a decrease in prices, with a kilogram selling at an average price of \$2.23, compared to \$2.30 during the previous sale held on 4th and 5th May 2022, but increased when compared to \$1.80 fetched during the same period last year.

Indicative Forex Rates

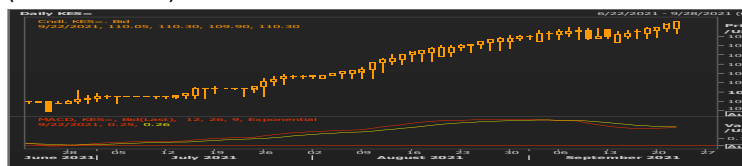
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	112.80	123.80	114.30	122.30
GBP/KES	139.55	152.55	139.25	149.05
EUR/KES	117.03	130.93	117.83	128.43
AED/KES	30.16	36.16	29.66	37.16

Money Market Rates	Current	Previous	Change
Interbank Rate	4.490%	4.340%	0.150
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 is up this morning in Asia as it continues its fight for a footing while the Chinese yuan found a floor from its recent drop with investors however reducing bets on rising U.S. interest rates leading to further gains for the U.S. currency. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.02% to 104.04 by 11:29 PM ET (3:29 AM GMT). The index is around 0.8% below Friday's 20-year peak of 105.100.

The dollar edged from a two-decade high in the week so far and kept losses small in early Asia trade. U.S. bond yields, on the other hand, have pulled back slightly as traders calculate that aggressive near-term interest rate hikes from the U.S. Federal Reserve will drag on long-term U.S. growth.

In the commodities Oil is down on Tuesday morning in Asia, opening lower earlier in the session. The European Union (EU)'s move to enact a ban on Russian oil imports, which would tighten global supplies, ran into opposition from member country Hungary.

Brent oil futures edged down 0.18% to \$114.03 by 12:17 AM ET (4:17 AM GMT) and WTI futures edged down 0.20% to \$111.60.

EU foreign ministers failed in their attempts on Monday to get Hungary to lift its veto of the bloc's proposed oil embargo on Russia in response to the invasion of Ukraine on Feb. 24. This leaves the EU short of full approval from all EU nations needed for the embargo to be implemented.

Gold was up on Tuesday morning in Asia, even as the dollar slowly resumed an upward trend and U.S. Treasury yields resumed their climb.

Gold futures gained 0.48% to \$1,882.65 by 12:36 AM ET (4:36 AM GMT). The dollar, which normally moves inversely to gold, inched up on Tuesday after falling from near 20-year highs on Monday.

The Chinese yuan, which had been on a downward trend lately, found a floor as investors reduced bets on whether U.S. interest rate hikes will drive further gains for the greenback. Benchmark U.S. 10-year Treasury yields also climbed.

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	1.0347	1.0551
GBP/USD	1.2160	1.2465
USD/AED	3.6625	3.6835
USD/JPY	127.29	131.30

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.