



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 18TH MARCH 2022

DOMESTIC NEWS

The Kenyan shilling eased on Thursday on increased greenback demand from the energy sector and amid subdued inflows.

Commercial banks quoted the shilling at 114.25/45 per dollar compared to Wednesdays close of 114.20/40.

In the consumer commodities markets locally the price of maize flour could go up by Sh2 for a two-kilogramme packet in the coming days on the back of a shortage and costly maize in the market, coupled with a recently introduced cess on grains delivered to Nairobi.

Kenya Revenue Authority (KRA) announced last week that it had started charging the levy effective March 11 on deliveries made in Nairobi where all the large-scale millers are based with a few branches in other cities.

Indicative Forex Rates

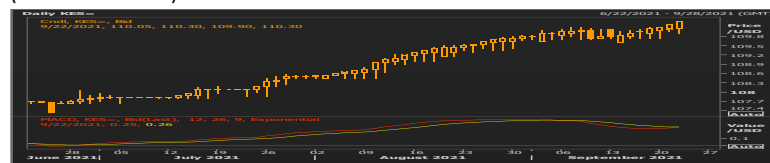
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.90	117.90	112.40	117.40
GBP/KES	146.52	154.52	146.22	154.92
EUR/KES	122.34	130.24	123.14	130.64
AED/KES	29.65	32.65	29.15	33.15

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.280%	4.350%	-0.070
91-Day T-bill		7.206%	7.265%	-0.059
182-Day T-Bill		8.032%	8.063%	-0.031
364-Day T-Bill		9.771%	9.774%	-0.003
Inflation		5.080%	5.390%	-0.310
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.25671	0.04144	1.53050
12 months	1.71529	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The U.S. dollar headed for its first down week in six versus major peers on Friday, languishing near a one-week low, as investors continued to assess the impact of the start of the Federal Reserve's rate tightening cycle this week.

The safe-haven greenback also lost traction - while the euro benefited - as traders stayed optimistic for an end to the war in Ukraine as talks continued between Moscow and Kyiv, although progress on Thursday was elusive.

Sentiment also improved after Russia avoided default on dollar-denominated debt.

A phone call between U.S. President Joe Biden and Chinese leader Xi Jinping later Friday, with the U.S. warning China not to provide support to Russia, added a further layer of geopolitical risk.

In the commodities market, Oil prices extended their rally on Friday at the end of a third volatile week of trade after slim progress in peace talks between Russia and Ukraine raised the spectre of tighter sanctions and a prolonged disruption to oil supply.

Despite battleground setbacks and punitive sanctions by the West, Russian President Vladimir Putin has shown little sign of relenting. A fourth day of talks between Russian and Ukrainian negotiators took place by videolink, but the Kremlin said an agreement had yet to be reached.

Brent crude futures jumped \$2.75, or 2.6%, to \$109.39 a barrel at 0405 GMT, after surging nearly 9% on Thursday in the largest percentage gain since mid-2020.

U.S. West Texas Intermediate (WTI) crude futures climbed \$2.93, or 2.9%, to \$105.91 a barrel, adding to an 8% jump on Thursday.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.00%	0.25%
1 Month	6.25%	0.50%
3 Months	6.50%	0.75%
6 Months	6.75%	1.00%
1 year	7.00%	1.25%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0522	1.1328
GBP/USD	1.2999	1.3997
USD/AED	3.6427	3.6336
USD/JPY	114.25	119.25

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.