



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 18<sup>TH</sup> MAY 2022

### DOMESTIC NEWS

The local unit Kenya shilling weakened on Tuesday due to increased demand for dollars from the manufacturing sector and other general goods importers. Commercial banks quoted the shilling at 116.25/116.45 per dollar against Monday's closing rate of 116.10/30.

In the local market news, the Central Bank of Kenya is seeking Sh10 billion from the reopening of the two May bonds which had underperformed in the first auction that closed last week.

The 10 and 25-year papers had raised Sh31.7 billion against the target of Sh60 billion.

The new target by the government's fiscal agent in the tap sale represents less than half of the shortfall in the initial sale.

The 10-year bond has an average interest rate of 13.49 percent while the rate on the 25-year security came in at 13.97 percent.

### Indicative Forex Rates

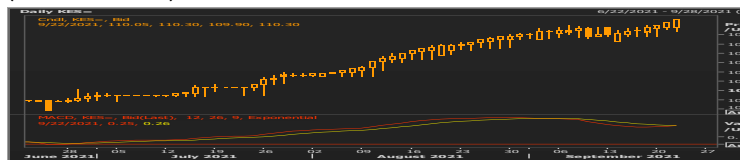
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	112.85	123.85	114.30	122.30
GBP/KES	141.13	154.13	140.83	150.63
EUR/KES	118.13	132.03	118.93	129.53
AED/KES	30.18	36.18	29.68	37.18

Money Market Rates	Current	Previous	Change
Interbank Rate	4.510%	4.490%	0.020
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	2.01700	0.03238	1.69660
12 months	2.65686	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar was up on Wednesday morning in Asia. Overnight surges gave the euro and pound a boost in early trading, alongside strong U.K. jobs data and a general improvement in investor sentiment thanks to positive U.S. retail sales data and hopes that China will ease COVID-19 lockdowns. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.07% to 103.25 by 1:22 AM ET (5:22 AM GMT).

The European common currency touched \$1.0563 in early Asia trade, after rising 1.1% overnight, its largest day of percentage gains since March. The pound touched \$1.2501 after a 1.4% overnight rally, its best day since late 2020, with data showing that the U.K.'s jobless rate hit a 48-year low.

In the commodities market, Oil jumped on further signs of tightness in key US product markets and speculation that China may be moving closer to easing anti-virus lockdowns that have sapped crude demand in the world's largest importer.

West Texas Intermediate rose above \$113 a barrel after falling on Tuesday. The American Petroleum Institute reported gasoline inventories sank by more than 5 million barrels last week, according to people familiar with the data, which also showed lower crude holdings. Official figures come later Wednesday.

Gold was down on Wednesday morning in Asia, with the dollar continuing its retreat from a 20-year high and countering pressure from stronger Treasury yields. Investors also digested the latest hawkish comments from U.S. Federal Reserve Chairman Jerome Powell.

Gold futures were down 0.59% to \$1,808.24 by 12:48 AM ET (4:48 AM GMT). The dollar, which normally moves inversely to gold, edged up on Wednesday but extended its decline into a fourth day. Investors' increased appetites for riskier bets also took the edge off the safe-haven greenback's appeal.

### Indicative Profit Rates on Deposits

	Amounts > 10 million	
	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	1.0437	1.0641
GBP/USD	1.2273	1.2585
USD/AED	3.6626	3.6836
USD/JPY	127.09	131.45

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.