



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 18th OCTOBER 2022

DOMESTIC NEWS

The Kenya shilling was stale on Monday in slow trade with little dollar supply and demand. Commercial banks quoted the local currency at 120.95/121.15 per dollar compared with Friday's closing rate of 120.90/121.10.

In other news, The International Finance Corporation has invested an additional \$459.8 million (Sh55.6 billion) in Kenyan companies, cementing its position as the largest provider of capital to local firms.

The institutional investor says in its latest annual report that its cumulative investments in Kenyan companies rose to \$4.1 billion (Sh497 billion) in the year ended June.

This was an increase from \$3.6 billion (Sh442 billion) the year before. Banks, manufacturers, insurers, and real estate developers are among the entities that have benefitted from IFC's backing in the form of loans and capital subscriptions. (Business daily)

Indicative Forex Rates

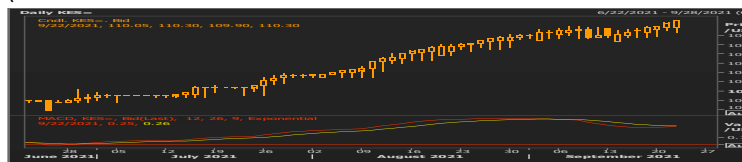
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.60	128.10	117.10	127.60
GBP/KES	132.66	152.16	131.86	146.66
EUR/KES	113.19	139.09	113.49	132.09
AED/KES	28.97	38.97	30.97	38.47

Money Market Rates	Current	Previous	Change
Interbank Rate	4.870%	4.720%	0.000
91-Day T-bill	9.058%	9.036%	0.022
182-Day T-Bill	9.656%	9.639%	0.017
364-Day T-Bill	9.910%	9.905%	0.005
Inflation	9.200%	8.530%	0.670
CBR RATE	7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	4.68529	0.04206	4.33310
12 months	5.28314	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The U.S. dollar rose slightly on Tuesday, recovering from a 1% drop on Monday as sentiment improved after the UK government made a dramatic reversal on a controversial tax policy. The pound strengthened sharply after the move, weighing on the dollar index.

The dollar index rose 0.2% on Tuesday from a 1-½ week low, while dollar index futures rose 0.1%, hovering around the 112 level. On the other hand, investors are focused on whether the Bank of Japan would intervene as the Japanese currency falls to its weakest level against the dollar in 32 years.

The New Zealand dollar jumped on Tuesday after inflation for the third quarter blew past expectations, driving up bets that the central bank will deliver more interest rate hikes this year.

The kiwi jumped 1.2% to a near two-week high of \$0.5700. Its gains were triggered just after the consumer price index read substantially higher than expected for the third quarter.

In the commodities market, Oil prices climbed on Tuesday, bolstered by a weaker U.S. dollar and supply woes, although gains were capped by the spectre of lower fuel demand from China as it persists with its stringent zero-COVID policy.

Brent crude futures rose 74 cents, or 0.8%, to \$92.36 per barrel by 0505 GMT, while U.S. West Texas Intermediate (WTI) crude futures gained 78 cents, or 0.9%, to \$86.24 per barrel.

Gold prices moved little on Tuesday, hovering around key support levels as the dollar retreated from recent highs, while uncertainty over weakening metal demand in China weighed on copper.

Spot gold held on to mild gains from Monday, trading around \$1,650.96 an ounce, while gold futures steadied at \$1,656.20 an ounce.

In the commodities market, 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	0.9640	1.0060
GBP/USD	1.1125	1.1547
USD/AED	3.6630	3.6832
USD/JPY	146.53	150.58

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.