



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

## TREASURY MARKET UPDATE 19<sup>th</sup> OCTOBER 2022

### DOMESTIC NEWS

Kenya Shilling weakened to a new low on Tuesday due to increased demand for dollars from the energy sector. Commercial banks quoted the shilling at 121.05/25 per dollar compared with Monday's closing rate of 120.95/121.15.

In other news, the significant weakening of the shilling versus the dollar handed the Central Bank of Kenya (CBK) an unrealised exchange gain of Sh68 billion on its forex holdings in the year ended June 2022, helping double its surplus for the period to Sh76.9 billion.

The unrealised forex gain surged from Sh25.27 billion a year earlier, according to disclosures in the banking sector regulator's latest annual report. The CBK held \$8.5 billion (Sh1.029 trillion) in official foreign exchange reserves by the end of June this year, the bulk of it in dollars. (Business daily)

### Indicative Forex Rates

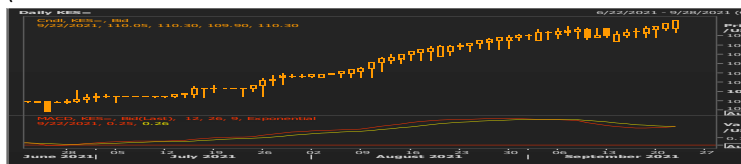
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.60	128.10	117.10	127.60
GBP/KES	132.66	152.16	131.86	146.66
EUR/KES	113.19	139.09	113.49	132.09
AED/KES	28.97	38.97	30.97	38.47

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.160%	4.870%	0.290
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	4.67371	0.04206	4.25320
12 months	5.31243	-	-

(Source: Reuters



### INTERNATIONAL NEWS

The U.S. dollar edged higher against a basket of currencies on Tuesday, shaking off some of the weakness of the previous session, but a revival in risk appetite in global financial markets kept a lid on its gains.

Against a basket of currencies, the dollar was 0.07% higher at 112.15, having earlier slipped to a near two-week low of 111.76. The index, which fell 1% in the previous session, remains just 2% shy of the two-decade high of 114.58 touched in late September.

In Europe, Britain's new Finance Minister Jeremy Hunt on Monday scrapped Prime Minister Liz Truss's economic plan, which had sapped investor confidence in Britain in recent weeks.

The British finance minister's decision to reverse most of the government's "mini-budget" prompted investors to reassess the outlook for UK interest rates and sent the pound 0.4% lower on the day to \$1.1316.

Oil prices climbed on Wednesday, paring losses from the previous session, as investors jumped into more risky assets such as commodities amid gains in broader equity markets and on signs of renewed demand from top oil importer China.

Brent crude futures for December settlement rose 46 cents, or 0.5%, to \$90.49 a barrel by 0455 GMT.

U.S. West Texas Intermediate crude for November delivery was at \$83.69 a barrel, up 87 cents, or 1.1%. WTI's front-month contract expires on Thursday and the more active December contract was at \$82.89, up 82 cents, or 1.0%.

Gold prices rose slightly on Wednesday, extending mild gains into a third session as pressure from the dollar abated, although hawkish signals from Federal Reserve officials prevented further gains.

Spot gold rose 0.1% to \$1,653.49 an ounce, while gold futures rose 0.2% to \$1,658.90 an ounce by 19:20 ET (23:20 GMT). Both instruments spent a second day above the key support level of \$1,650, tracking a decline in the dollar.

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	0.9630	1.0025
GBP/USD	1.1025	1.1447
USD/AED	3.6630	3.6832
USD/JPY	147.53	151.58

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.