



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

## TREASURY MARKET UPDATE 1<sup>ST</sup> AUGUST 2022

### DOMESTIC NEWS

Kenya shilling edged down on Friday due to increased importer dollar demand especially from oil marketing companies. Commercial banks quoted the shillings at 118.80/90 per dollar compared to Thursday close of 118.70/90.

In other local news, Kenyan manufacturers are quietly downsizing their packages and product sizes without lowering prices as they embrace shrinkflation in the wake of sharp rise in cost of production.

Business Daily research has found that the phenomenon - borrowed from elsewhere in the world - is quickly catching up across almost all product categories from toilet paper, yoghurt, bread to confectionary.

Experts said last week shrinkflation is not a new phenomenon. The practice becomes more common during periods of high inflation, as businesses struggle to keep up with rising expenses for ingredients, packaging, labour, and transportation (Business daily)

### Indicative Forex Rates

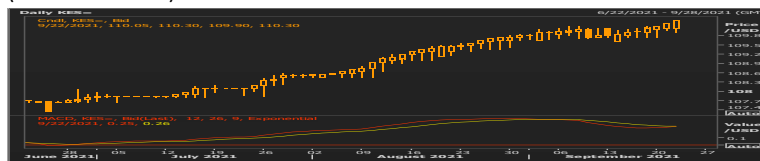
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	115.60	126.10	115.10	126.60
GBP/KES	141.12	155.62	140.32	155.12
EUR/KES	117.37	137.27	117.17	135.77
AED/KES	30.92	36.92	30.42	37.92

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.350%	5.470%	0.120
91-Day T-bill		8.399%	8.322%	0.077
182-Day T-Bill		9.392%	9.393%	0.001
364-Day T-Bill		9.946%	9.968%	0.022
Inflation		7.910%	7.080%	0.830
CBR RATE		7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.32986	0.04330	2.45970
12 months	3.70729	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar dropped to a three-week low in choppy trading on Friday, as investor concerns about recession outweighed inflation worries, for now, amid a mixed batch of economic data.

There was also a lot of month-end position-squaring, analysts said.

Earlier, U.S. economic numbers showed that inflation continued its red-hot rise in June, keeping the Federal Reserve on track to raise interest rates as aggressively as it deems necessary.

The dollar initially rose on the inflation numbers, but gains fizzled amid the final University of Michigan report showing consumers' inflation expectations slipped in July.

In afternoon trading, the dollar index, a measure of its value against six major currencies, slid 0.3% to 105.89. Earlier, it slid to a three-week trough of 105.53.

Oil prices dropped on Monday, as weak manufacturing data from China and Japan for July weighed on the outlook for demand, while investors braced for this week's meeting of officials from OPEC and other top producers on supply adjustments.

Brent crude futures were down \$1.19, or 1.1%, at \$102.78 a barrel at 0212 GMT. U.S. West Texas Intermediate crude was at \$97.19 a barrel, down \$1.43, or 1.5%.

Copper prices sank on Monday after weak Chinese factory data pointed to slowing demand for the metal, while gold prices steadied around three-week highs.

As of 09:13 pm ET (0113 GMT), Copper Futures fell 1.2% to \$3.5503 a pound- near their lowest level in over one year.

Chinese factory output unexpectedly shrank in July as fresh curbs in the wake of rising COVID-19 cases dented economic activity. The official purchasing managers index (PMI) came in at 49 for July, below expectations of 50.4, and June's reading of 50.2.

### Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	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	1.0120	1.0525
GBP/USD	1.1079	1.2429
USD/AED	3.6528	3.6931
USD/JPY	134.50	138.30

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.