



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

## TREASURY MARKET UPDATE 1<sup>st</sup> MARCH 2022

### DOMESTIC NEWS

The Kenyan shilling is under fresh pressure against the dollar after it hit a new record low on Monday, setting up the country for more expensive imports and debt servicing distress.

Central Bank of Kenya (CBK) data shows the Kenya shilling hit a record low to exchange at an average of 113.94 on Monday. Bloomberg quoted the shilling trading at 114 against the dollar at some point in the day.

In other local news, the National Treasury spent an additional Sh13.42 billion or 6.58 percent more on domestic interest repayments than it had budgeted for in the half-year period to December on the back of growing shift towards longer-dated debt, which pays higher interest rates.

Expenditure on interest payments on Treasury bonds and bills zoomed past the Sh203.86 billion estimates for the review period to Sh217.28 billion, Treasury Cabinet Secretary Ukur Yatani says in the latest budgetary disclosures.

### Indicative Forex Rates

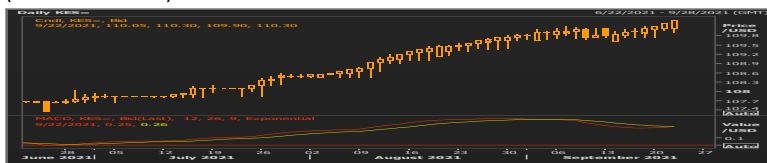
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.35	117.35	111.85	116.85
GBP/KES	148.71	156.71	148.41	157.11
EUR/KES	123.11	131.01	123.91	131.41
AED/KES	29.50	32.50	29.00	33.00

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.580%	5.810%	-0.230
91-Day T-bill		7.254%	7.250%	0.004
182-Day T-Bill		8.062%	8.075%	0.013
364-Day T-Bill		9.764%	9.724%	0.040
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	0.82871	0.04083	1.29260
12 months	1.33071	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The rouble tried to regain some stability on Tuesday after its crash to an all-time low, while the U.S. dollar resumed its rise against major peers as traders paused for breath amid the fast-moving Ukraine crisis.

A modicum of calm has returned to currency markets since officials from Russia and Ukraine held an initial round of ceasefire talks overnight, four days after Russia invaded its neighbour, allowing some of the big moves from the start of the week to retrace after many positions were cleared out.

Gold prices eased on Tuesday after strong performances in the past few sessions as Russian and Ukrainian officials began ceasefire talks and Western countries ramped up sanctions against Moscow, dampening demand for safe-haven assets.

Ceasefire talks between Russian and Ukrainian officials began on the Belarusian border as Russia faced deepening economic isolation four days after invading Ukraine.

Russian President Vladimir Putin showed no signs of stopping an invasion of Ukraine, where fierce fighting and bombardment have killed dozens and sparked a refugee crisis.

The Australian and New Zealand dollars were proving resilient on Tuesday as high commodity prices and strength in domestic economies provided a buffer against geopolitical tensions.

The Aussie stood at \$0.7254 having bounced 0.4% overnight and away from support at \$0.7152. It faces resistance at the recent top of \$0.7284 and the January peak of \$0.7314.

### Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	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	1.1030	1.1415
GBP/USD	1.3115	1.3945
USD/AED	3.6431	3.6311
USD/JPY	110.26	117.78

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.