



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 1ST SEPTEMBER 2022

DOMESTIC NEWS

The Kenya shilling edged lower on Wednesday and is expected to even weaken further due to demand for dollars from oil retailing companies and manufacturers.

Commercial banks quoted the shillings at 120.00/120.20 per dollar compared to Tuesdays closing rate of 119.95/120.15

In other news in the market, the capital market shed Sh10.5 billion to close the day's trading at Sh2.14 trillion from Tuesday's close of Sh2.15 trillion even as the Supreme Court started the hearing of seven petitions challenging the declaration of William Ruto's victory as the president-elect. Investors are waiting on the decision of the apex court judges, who have been asked to nullify the outcome of the August 9 presidential poll over failure to adhere to applicable laws and the Constitution.

The Independent Electoral and Boundaries Commission (IEBC) chairman Wafula Chebukati came under spotlight as lawyers for Raila Odinga and six other petitioners said he deliberately ignored the law and abrogated himself the role of the commission with a plan to compromise the election. (Business daily)

Indicative Forex Rates

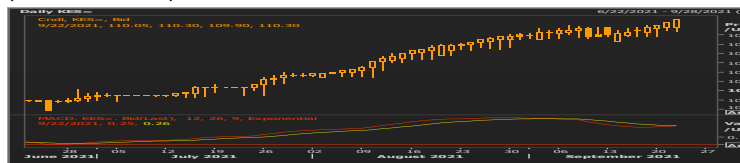
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.70	127.20	118.20	126.30
GBP/KES	133.11	147.11	131.81	147.51
EUR/KES	115.97	131.37	115.77	133.27
AED/KES	31.22	34.22	30.72	34.72

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.000%	5.130%	-0.030
91-Day T-bill		8.767%	8.669%	0.098
182-Day T-Bill		9.532%	9.492%	0.040
364-Day T-Bill		9.910%	9.909%	0.001
Inflation		8.530%	8.320%	0.210
CBR RATE		7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.59543	0.044453	3.21610
12 months	4.15986	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The U.S. dollar drifted lower in early European trade Wednesday, retreating from the 20-year peak seen earlier in the week as a nascent rebound in the euro gathers pace.

At 3:00 AM ET (07:00 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.1% lower to 108.662, after starting the week at a new two-decade high at 109.48.

The latest U.S. employment data, the JOLTS report on job openings, pointed to continued strength in the labor market despite the string of large rate hikes by the Federal Reserve.

This, combined with continued hawkish comments from a number of Fed officials, point to the U.S. central bank hiking by a probable 75 basis points in September.

In the commodities market, Oil prices dropped on Thursday, as investors were worried that aggressive interest rate hikes from global policymakers would slow economies and dent fuel demand, while renewed restrictions to curb COVID-19 in China also added pressure.

Brent crude futures fell 53 cents, or 0.6%, to \$95.11 a barrel by 0454 GMT. U.S. West Texas Intermediate (WTI) crude futures slid 58 cents, or 0.7%, to \$89.97 a barrel.

Gold prices fell further on Thursday as the U.S. dollar gained ahead of key payrolls data due this week, while copper prices sank on growing concerns over a global economic slowdown.

Spot gold fell 0.3% to \$1,706.26 an ounce by 20:45 ET (00:45 GMT), touching its weakest level since late-July. Gold futures sank 0.5% to \$1,716.75 an ounce. Both instruments are down substantially over the past five months, as rising U.S. interest rates boosted the dollar and Treasury yields.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	KES	USD	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	0.9870	1.0229	
GBP/USD	1.1380	1.1775		
USD/AED	3.6531	3.6942		
USD/JPY	137.95	141.55		

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.