



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND FEBRUARY 2022

DOMESTIC NEWS

Kenya's shilling was unchanged on Monday, and traders said it was expected to weaken due to increased dollar demand, especially from the energy sector.

At 0850 GMT, commercial banks quoted the shilling at 113.60/80 per dollar, the same as Friday's close.

In other news, Kenyan households are braced for higher energy and food costs as a result of the ongoing threat of war between Russia and Ukraine, which has sent global oil prices soaring and restricted wheat exports.

The conflict could also trigger a sell-off of shares, pulling down a market that has fully recovered from the economic damage caused by the Covid-19 pandemic.

Elsewhere the share of bank customers operating multiple bank accounts dropped last year in what has been attributed to clients seeking to cut costs.

A survey by Kenya Bankers Association (KBA) found that 62 percent of customers had more than one bank account last year, down from 77 percent in 2020.

Indicative Forex Rates

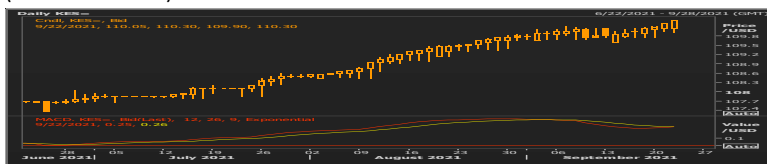
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.20	117.20	111.70	116.70
GBP/KES	150.57	158.57	150.27	158.97
EUR/KES	124.14	132.04	124.94	132.44
AED/KES	29.46	32.46	28.96	32.96

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.000%	4.720%	0.280
91-Day T-bill		7.250%	7.285%	0.035
182-Day T-Bill		8.075%	8.108%	0.033
364-Day T-Bill		9.724%	9.668%	0.041
Inflation		5.780%	5.69%	-0.090
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	0.78129	0.04083	0.1.33050
12 months	1.28586	-	-

(Source: Reuters)



INTERNATIONAL NEWS

Despite dollar's initial broad-based weakness in early Asian trading on news of a summit between U.S. Biden and Russia's Putin on Ukraine brokered by French President Macron, the greenback and safe-haven Swiss franc caught a fresh bid in Europe as renewed conflicts in Ukraine together with market casting doubt on such meeting triggered USD and CHF buying. The greenback later extended intra-day gain after Russian President Putin declared the two former Ukraine breakaway regions independent.

Global stocks tumbled while safe havens rallied, and oil surged on Tuesday as Europe's eastern flank stood on the brink of war after Russian President Vladimir Putin ordered troops into breakaway regions of eastern Ukraine.

MSCI's broadest index of Asia Pacific shares outside Japan was on course for its worst day for this month, off 2.1%, weighed by markets in Hong Kong and mainland China. Japan's Nikkei shed 2.5%.

Oil prices rose on Monday over the stand-off between Russia and the West over Ukraine, adding to supply concerns that have kept oil prices near \$100 a barrel.

Brent crude futures jumped \$2.74, or 2.91%, to \$96.28 a barrel by 2 p.m. ET (1910 GMT). U.S. West Texas Intermediate (WTI) crude futures rose \$2.79, or 3.06%, to \$93.86 a barrel at 1915 GMT.

Russian forces killed a group of five saboteurs who breached the country's southwest border from Ukraine on Monday, news agencies quoted the military as saying, an accusation that Ukraine called fake news.

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	1.1259	1.1479
GBP/USD	1.3123	1.3949
USD/AED	3.6423	3.6306
USD/JPY	109.27	117.45

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.