



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND JULY 2022

DOMESTIC NEWS

Kenya shilling inched lower against the dollar on Thursday, but the pressure was expected to lift as foreign currency demand cools ahead of the presidential election in August.

Commercial banks quoted the shillings at 118.60/80 per dollar compared to Wednesday's close of 118.50/70.

In other local news, Cash sent home by Kenyans living and working in the US fell for three months in a row to June as inflation in America reached a 40-year high, squeezing households' budget.

Remittances from the US fell from \$213.81 million (Sh25.23 billion) in March to \$210.81 million (Sh24.88 billion) a month later, \$195.15 million (Sh23.03 billion) in May and \$192.37 million (Sh22.70 billion) last month.

Remittances are a major source of foreign exchange for Kenya alongside tea, horticulture and tourism. Kenyans abroad typically send money to help their families and to invest in projects like real estate, with flow from the US accounting for about 60 percent of the total remittances.

Indicative Forex Rates

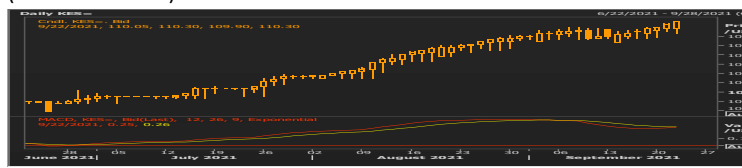
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.65	127.65	115.15	126.65
GBP/KES	137.76	157.26	136.96	151.76
EUR/KES	115.92	141.82	116.22	134.82
AED/KES	28.30	44.30	30.30	37.80

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.200%	5.320%	0.120
91-Day T-bill		8.322%	8.248%	0.074
182-Day T-Bill		9.393%	9.305%	0.088
364-Day T-Bill		9.968%	9.986%	0.018
Inflation		7.910%	7.080%	0.830
CBR RATE		7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.33386	0.04745	2.50570
12 months	3.86300	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar is down this morning in Asia after the European Central Bank raised interest rates more than expected on Thursday as concerns about runaway inflation trumped worries about growth.

The US Dollar Index that tracks the greenback against a basket of other currencies inched down 0.01% to 106.91 by 11:32 PM ET (3:32 AM GMT).

The dollar was weighed down overnight by a decline in Treasury yields after data showed a slump in factory activity and a rise in applications for unemployment benefits. This signals that the economy is already feeling the effects of aggressive U.S. Federal Reserve policy tightening.

On the other hand, Euro rose against the U.S. dollar in a choppy session on Thursday, after the European Central Bank (ECB) delivered a 50-basis points rate hike to tame inflation in its first-rate increase since 2011.

The ECB raised its benchmark deposit rate to 0%, breaking its own guidance for a 25 basis points move as it joined global peers in jacking up borrowing costs.

In the commodities market, Gold was down on Friday morning in Asia as investors are concerned about interest rate hikes by major central banks to curb inflation. Gold futures inched down 0.03% to \$1,689.05 by 12:01 AM ET (4:01 AM GMT). The dollar, which normally moves inversely to gold, inched up on Friday morning.

On the other hand, Oil prices climbed in Asia trading on Friday, rebounding from previous declines on supply tightness and geopolitical tensions even though weakened demand in the United States has cast a shadow on the market this week.

Brent crude futures rose \$1.51, or 1.5%, to \$105.37 a barrel by 0310 GMT, while U.S. West Texas Intermediate (WTI) crude futures gained \$1.34, or 1.4%, to \$97.69 a barrel.

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	0.9973	1.03922
GBP/USD	1.1760	1.2105
USD/AED	3.6528	3.6931
USD/JPY	135.22	140.25

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.