



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

## TREASURY MARKET UPDATE 22<sup>ND</sup> MARCH 2022

### DOMESTIC NEWS

The Kenya shilling was little changed on Monday, but traders still expect it to weaken due to increased dollar demand from various sectors in the economy. Commercial banks quoted the shilling at 114.35/55 per dollar compared to Fridays close of closed of 114.30/50.

In other news in the market, Treasury Cabinet Secretary Ukur Yatani will read the Sh3.31 trillion budget for the financial year starting July two months earlier than traditional time, paving the way for lawmakers to approve expenditure before their term ends.

Mr Yatani confirmed on Monday he will deliver the Budget Statement for the financial year 2022/23 on April 7, marking the last expenditure plan for President Uhuru Kenyatta who will leave office after the August 9 polls.

### Indicative Forex Rates

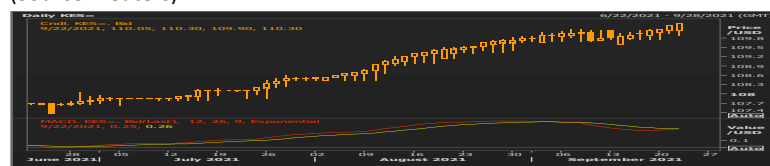
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.73	117.73	112.23	117.23
GBP/KES	145.99	153.99	145.69	154.39
EUR/KES	121.10	129.00	121.90	129.40
AED/KES	29.60	32.60	29.10	33.10

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.27%	4.28%	-0.010
91-Day T-bill		7.252%	7.206%	0.046
182-Day T-Bill		8.093%	8.032%	0.061
364-Day T-Bill		9.763%	9.771%	0.080
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	1.28757	0.04267	1.39110
12 months	1.78643	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar is up this Tuesday morning in Asia, while the yen fell through the 120 mark for the first time since 2016. Investors continued to digest a hawkish speech from U.S. Federal Reserve Chair Jerome Powell that raised bets on higher U.S. interest rates and widened the policy gap on a dovish Bank of Japan. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.10% to 98.602 by 11:51 PM ET (3:51 AM GMT). The U.S. bonds and interest-rate futures retreated further overnight after Powell said policymakers needed to move "expeditiously" and teased the possibility of 50 basis point rate hikes.

In the commodities market Oil prices extended gains on Tuesday as some European Union members discussed a potential oil embargo on Russia and attacks on Saudi facilities sent jitters through the market. Front-month West Texas Intermediate futures were up \$2.20, or 1.96%, to \$114.32 a barrel on NYMEX and Brent futures were up \$3.18, or 2.75%, to \$118.80 a barrel on the Intercontinental Exchange (NYSE:ICE) at 0440 GMT. Both contracts had settled more than 7% on Monday as the potential for more supply disruptions weighed on the market.

On the other hand, Gold is up this morning in Asia, as U.S. Treasury yields hit multi-year highs. U.S. Federal Reserve Chairman Jerome Powell took a more hawkish stance on inflation, while the ongoing Ukraine conflict also gave the safe-haven asset a boost. Gold futures were up 0.39% to \$1,937 by 12:58 PM ET (4:58 AM GMT). According to a senior analyst at OANDA, there are no new inputs to materially move the price in Asia today, leaving gold stuck between higher U.S. yields and a ramp-up in risk-aversion sentiment.

### Indicative Profit Rates on Deposits

	Amounts > 10 million	
	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	1.0521	1.1330
GBP/USD	1.3010	1.3999
USD/AED	3.6423	3.6333
USD/JPY	114.27	119.27

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.