



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

## TREASURY MARKET UPDATE 22ND SEPTEMBER 2022

### DOMESTIC NEWS

The Kenya shilling was little changed on Wednesday but is expected to ease undermined by dollar demand from manufacturing and oil companies and general good importers.

Commercial banks quoted the shillings at 120.45/65 per dollar compared with Tuesday's close of 120.40/60.

In other news, Growth in credit to the private sector slowed for the first time this year in August, reflecting a slowdown of business activity around the General Elections period.

The Central Bank of Kenya said on Tuesday that 12-month credit growth stood at 12.5 percent in August, retreating from a six-and-a-half year high of 14.2 percent that was seen in July.

By July, the disbursement of loans to the private sector had been growing for eight consecutive months, backing the continued recovery of the economy and business confidence following the Covid-19 pandemic.

(Business daily)

### Indicative Forex Rates

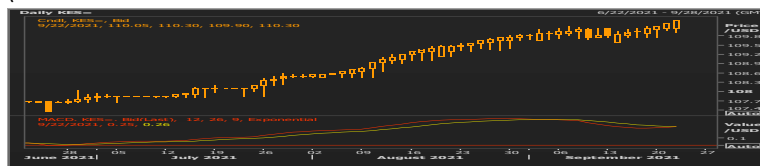
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.15	127.65	116.65	127.15
GBP/KES	133.87	152.67	132.37	147.17
EUR/KES	115.11	141.01	115.41	134.01
AED/KES	28.85	38.85	30.85	38.35

Money Market Rates	Current	Previous	Change
Interbank Rate	4.060%	3.860%	0.200
91-Day T-bill	8.950%	8.910%	0.040
182-Day T-Bill	9.615%	9.599%	0.016
364-Day T-Bill	9.913%	9.915%	0.002
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	4.17514	0.05069	3.64950
12 months	4.69943	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The U.S. dollar jumped to a new 20-year high against a basket of currencies on Thursday, extending gains after the Federal Reserve raised interest rates and struck a more hawkish than expected tone in its latest meeting.

The dollar index rose as much as 1% to 111.47, its highest level since June 2002, while dollar index futures rose 0.3% to 111.427. Both indicators rallied on Wednesday after the Fed decision. 10-year U.S. Treasury yields surged to an 11-year high.

Most risk-driven currencies sank against the dollar on Thursday, while the euro fell further away from dollar parity.

In the commodities market, Oil rebounded on Thursday after sliding 1% in the previous session as concerns over tight supplies heading into winter eclipsed fears of a global recession.

Brent crude futures rose 50 cents, or 0.6%, to \$90.33 per barrel by 0319 GMT, recouping their losses in early Asia trade. U.S. West Texas Intermediate (WTI) crude rose 45 cents to \$83.39.

Both benchmarks fell to a near two-week low on Wednesday after the U.S. Federal Reserve raised interest rates by 75 basis points for the third time to tame inflation and signaled that borrowing costs would keep rising this year.

Gold prices capitulated to recent gains, while copper extended losses on Thursday after an interest rate hike and hawkish message from the Federal Reserve boosted the dollar and weighed heavily on metal markets.

Bullion prices initially showed some resilience after the Fed's decision, bouncing from over two-year lows as investors saw the metal as heavily oversold. But it had since capitulated most of those gains and was trading in a flat-to-low range.

Spot gold fell 0.3% to \$1,669.56 an ounce, while gold futures fell slightly to \$1,674.45 an ounce by 20:01 ET (00:01 GMT). Both instruments rose around 0.5% on Wednesday.

### 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	0.9630	1.0245
GBP/USD	1.1027	1.1479
USD/AED	3.6529	3.6929
USD/JPY	143.10	146.25

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.