



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD AUGUST 2022

DOMESTIC NEWS

The shilling dipped to a new low against the dollar to trade at Sh119.75, having depreciated from Sh113.13 at the start of the year and Sh104.44 at the end of March 2020. This was due to expected month end foreign currency and also in response to the ongoing election petition at the supreme court.

In other local news, Markets fell on Monday after Kenyan opposition leader Raila Odinga formally challenged the results of this month's presidential election at the country's Supreme Court. The Nairobi Stock Exchange (NSE) shed Sh43 billion to close trading at Sh2.23 trillion — the lowest level since Kenyans went to the polls on August 9. It could be weeks before a new President is sworn in, escalating a political contest that has thrown investors into uncertainty. The country's dollar-denominated government bonds were down as much as 2.0 cents on the dollar at 6.18 p.m., with the 2048 maturity trading at 68.5 cents, according to Tradeweb data captured by Reuters agency.

Indicative Forex Rates

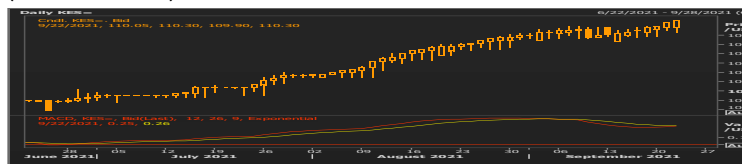
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.40	126.90	115.90	126.40
GBP/KES	137.13	156.63	136.33	151.13
EUR/KES	114.26	140.16	114.56	133.16
AED/KES	28.64	38.64	30.64	38.14

Money Market Rates	Current	Previous	Change
Interbank Rate	5.110%	5.130%	0.020
91-Day T-bill	8.669%	8.565%	0.104
182-Day T-Bill	9.492%	9.433%	0.059
364-Day T-Bill	9.909%	9.922%	0.013
Inflation	8.320%	7.910%	0.410
CBR RATE	7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.54757	0.04351	2.98740
12 months	4.01586	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar held firm on Tuesday on haven flows, while the euro languished around a two-decade low as Europe confronts energy supply and broader economic growth concerns.

The euro touched its lowest since late 2002 of \$0.9926 overnight and was last barely higher at \$0.9941. On the other hand the pound was also dragged to a new 2.5-year low overnight and hobbled near that level at \$1.17715 in Asia trade. The Japanese yen steadied at 137.265 per dollar after touching a one-month low of 137.705.

In the commodities market, Oil rose on Tuesday as renewed concerns over tight supply dominated market sentiment after Saudi Arabia warned that the major oil producer could cut output to correct a recent oil price decline.

Brent crude futures advanced 93 cents, or 1%, to \$97.41 a barrel by 0328 GMT, after a choppy session on Monday when they dropped by more than \$4 before paring losses to trade near flat. U.S. West Texas Intermediate crude futures gained 90 cents, or 1%, to \$91.26 a barrel. The benchmarks are down about 12% and 8% this month, respectively, amid fears about a global recession and fuel demand.

Gold prices rose slightly on Tuesday after seven straight sessions of losses but remained under pressure as growing expectations of a hawkish Federal Reserve boosted the dollar and treasury yields. Spot gold rose 0.1% to \$1,738.62 an ounce, while gold futures rose 0.2% to \$1,751.55 an ounce by 20:39 ET (00:39 GMT). Both instruments dropped for the past seven sessions, as expectations that the Fed will keep raising interest rates at a sharp pace drove traders into the dollar.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	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	0.9972	1.0377
GBP/USD	1.1955	1.2455
USD/AED	3.6528	3.6931
USD/JPY	132.40	136.55

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.