



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD JUNE 2022

DOMESTIC NEWS

Kenya shilling weakened slightly on Wednesday as foreign inflows remained insufficient to fulfill demand from importers such as the fuel sector. Commercial banks quoted the shillings at 117.40/60 compared to Tuesdays close of 117.30/50 (Reuters)

In other local news in the market, Kenya's tea export grew by 20 percent in the first quarter of the year backed by good prices, which helped to offset a significant decline in volumes. Data from the Kenya Tea Board (TBK) shows Kenya earned Sh41.1 billion in the period under review when compared with Sh34.3 billion that was realised in the corresponding period a year earlier. The volumes of tea exported in the review period declined by 17 million kilogrammes to 135.4 million Kilos.

Indicative Forex Rates

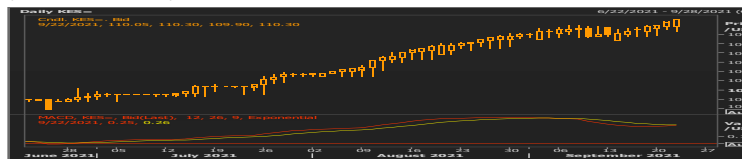
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.10	126.10	113.60	125.60
GBP/KES	140.01	154.51	139.21	154.01
EUR/KES	119.79	139.69	119.59	138.19
AED/KES	30.52	36.52	30.02	37.52

Money Market Rates	Current	Previous	Change
Interbank Rate	5.250%	5.300%	0.050
91-Day T-bill	7.925%	7.866%	0.067
182-Day T-Bill	9.096%	9.037%	0.073
364-Day T-Bill	9.961%	9.952%	0.054
Inflation	7.080%	6.500%	0.580
CBR RATE	7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.84186	0.04083	2.30110
12 months	3.62543	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Thursday morning in Asia amid rising concerns of slowing economic growth after the U.S. Federal Reserve Chair's hawkish testimony.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.07% to 104.13 by 1:08 AM ET (5:08 AM GMT).

Against other major currencies the dollar performed as follows; the pair USD/JPY fell 0.58% to 135.4 while the AUD/USD was down 0.49% to 0.6892. The NZD/USD pair edged down 0.18% to 0.6261, the USD/CNY pair edged up 0.15% to 6.7124, while the GBP/USD pair edged down 0.10% to 1.2254.

Investors are worried that the Fed's commitment to tame red hot inflation could trigger a recession, sending the 10-year Treasury yields to an almost two-week low.

U.S. Federal Reserve Chair Jerome Powell said that an aggressive interest rate hike could lead to an economic contraction and called a soft landing "very challenging" in his testimony to the Senate Wednesday.

In the commodities market, Gold was down on Thursday morning in Asia as investors expected aggressive interest rate hikes after U.S. Federal Reserve Chair Jerome Powell said the central bank is fully committed to bringing prices down.

Gold futures were down 0.21% to \$1,834.45 by 12:32 AM ET (4:32 AM GMT). The dollar which normally moves inversely to gold, edged up on Thursday morning.

On the other hand, Oil also dropped as investors are worried that tightening monetary policy could trigger a recession and dampen its demand. Brent oil futures fell 2.31% to \$109.16 by 12:03 AM ET (4:03 AM GMT) and crude oil WTI futures divided 2.61% to \$103.42.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	Amounts >100,000 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	1.0316	1.0725
GBP/USD	1.2063	1.2460
USD/AED	3.6524	3.6933
USD/JPY	133.05	136.95

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.