



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23rd FEBRUARY 2022

DOMESTIC NEWS

Kenya's shilling weakened on Tuesday due to a general increase in importer dollar demand.

At 0908 GMT, commercial banks quoted the shilling at 113.70/90 per dollar, compared with Monday's close of 113.55/75.

In other local news, Kenya spent 60 percent of its export earnings on China-made goods, cementing Beijing's dominant position in the country's economy.

Imports from China hit a new high of Sh441 billion in 2021, a 22 percent jump from the previous year, while Kenya's total export earnings stood at Sh739 billion.

Elsewhere The International Finance Corporation (IFC) is the latest high-profile investor to join the scramble to fund the Sh180 billion Nairobi-Mau Summit Highway.

Indicative Forex Rates

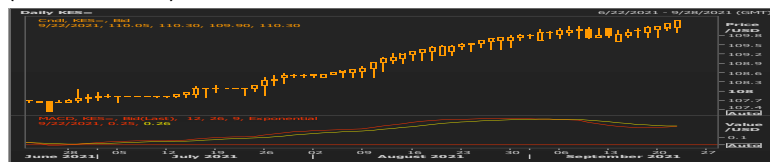
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.25	117.25	111.75	116.75
GBP/KES	150.64	158.64	150.34	159.04
EUR/KES	124.42	132.32	125.22	132.72
AED/KES	29.47	32.47	28.97	32.97

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.560%	4.720%	-0.7000
91-Day T-bill		7.250%	7.285%	0.035
182-Day T-Bill		8.075%	8.108%	0.033
364-Day T-Bill		9.724%	9.668%	0.041
Inflation		5.390%	5.690%	-0.300
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	0.78129	0.04083	0.1.33050
12 months	1.28586	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was on the front foot against the safe-haven Japanese yen and Swiss franc on Wednesday, as whipsawed markets looked to get a handle on the latest developments around Ukraine, though heightened nervousness kept most major pairs muted.

Away from the threat of a full-scale Russian invasion of Ukraine, the New Zealand dollar jumped 0.44% after the Reserve Bank of New Zealand raised interest rates, and said more tightening could be necessary.

In china, the central parity rate of the Chinese currency renminbi, or the yuan, strengthened 174 pips to 6.3313 against the U.S. dollar Wednesday, according to the China Foreign Exchange Trade System.

In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day.

The central parity rate of the yuan against the U.S. dollar is based on a weighted average of prices offered by market makers before the opening of the interbank market each business day.

In the Commodities market, Gold is unlikely to continue its winning streak and if tensions between Ukraine and Russia ease the yellow metal could see a large drop in price, according to Capital Economics.

Gold hit its highest in almost nine months on Tuesday and is up around 4% this year.

According to Allen Oliver markets economist gold typically has an inverse relationship to yields of inflation-linked bonds, but both have risen this year. He attributes this mainly to gold benefiting from a haven bid due to the escalating Ukraine-Russia tensions.

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	1.1250	1.1479
GBP/USD	1.3124	1.3947
USD/AED	3.6422	3.6305
USD/JPY	109.27	117.57

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.