



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 24TH AUGUST 2022

DOMESTIC NEWS

The Kenya shillings was slightly weaker on Tuesday with one trader saying the market was still in wait and see mode after this month's contested presidential election.

Commercial banks quoted the dollar at 119.80/120.00 against the dollar compared to Monday's close of 119.65/85.

In other local news, the price of maize is expected to rise in the coming days with the end of the subsidy as all millers resume operations in the wake of a limited supply of the produce.

Only 129 millers out of 300 had been listed under the subsidy with more than half of the processors halting their milling activities after the government announced that most flour brands were to be sold at Sh100 (per two-kilogramme packet) during the subsidy period.

United Grain Millers Association (UGMA) chairman Ken Nyaga says the coming on board of the millers who had stopped processing will put pressure on the available grain, hence pushing up the cost.

Indicative Forex Rates

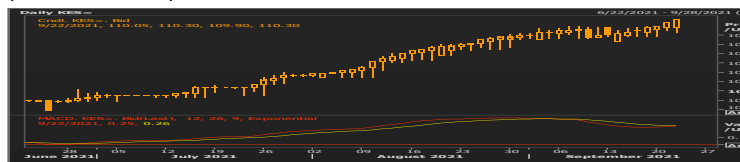
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.45	126.95	115.95	126.45
GBP/KES	137.85	157.35	137.05	151.85
EUR/KES	114.56	140.46	114.86	133.46
AED/KES	28.66	38.66	30.66	38.16

Money Market Rates	Current	Previous	Change
Interbank Rate	5.090%	5.110%	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 edged back from a fresh two-decade high against the euro on Tuesday after data showed U.S. private sector activity was weaker than expected in August, prompting bets the Federal Reserve may be less aggressive in its rate hiking cycle.

Against a basket of six major currencies, the dollar index was down 0.376% at 108.58 at 3:30 p.m. Eastern time (1930 GMT). The index earlier touched 109.27, its strongest level since hitting a two-decade high in mid-July.

The euro was up 0.19% against the greenback at \$0.99625, rising off a fresh two-decade low of \$0.99005 hit earlier in the session on renewed concerns that an energy shock continue to stoke inflation, making it more likely that Europe will fall into a recession.

In the commodities market, Oil prices fell on Wednesday, taking a breather from a near 4% surge the previous day, on receding fears of an imminent output cut by the Organization of the Petroleum Exporting Countries and allies, a group known as OPEC+. Global benchmark Brent crude futures fell 40 cents, or 0.4%, to \$99.82 a barrel by 0337 GMT, after rising 3.9% on Tuesday.

The U.S. West Texas Intermediate crude futures contract was down 27 cents, or 0.29%, at \$93.47 a barrel, having jumped 3.7% the previous day.

On the other hand, Gold prices held recent gains on Wednesday as the dollar retreated slightly on weak economic data, with focus now turning to commentary from the Federal Reserve on the path of interest rates.

Gold futures fell 0.1% to \$1,759.25 an ounce, while spot gold fell 0.1% to \$1,746.33 an ounce by 21:41 ET (01:41 GMT). But both instruments largely retained gains made on Tuesday, where weak PMI data pulled the dollar index down from a near 20-year high.

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	0.9842	1.0075
GBP/USD	1.1708	1.1912
USD/AED	3.6528	3.6932
USD/JPY	134.70	137.55

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.