



DIB Bank Kenya
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TREASURY MARKET UPDATE 24TH FEBRUARY 2022

DOMESTIC NEWS

Kenya's shilling was stable on Wednesday, but it was forecast to weaken due to importer demand especially from the energy and manufacturing sectors, traders said.

At 0738 GMT, commercial banks quoted the shilling at 113.70/90 per dollar, the same as Tuesday's closing rate.

In other local news, The Central Bank of Kenya (CBK) has asked digital payment service providers including mobile money firms to cut their prices, arguing that they have the headroom to charge customers less.

The mobile and internet-based payment platforms charge relatively higher fees for cash transfer and payments compared to banks.

Interest rates on Treasury bills have climbed to a two-year high on the back of a higher bid acceptance rate by the Central Bank of Kenya (CBK) as it looks to roll over heavy short-term maturities in the first quarter of the year.

The one-year T-bill rate is currently at 9.724 percent, the highest since February 2020, as are the six and three-month T-bill rates of 8.075 percent and 7.25 percent respectively.

Indicative Forex Rates

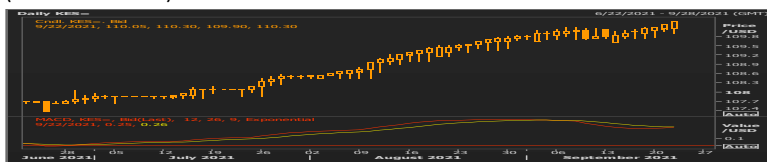
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.30	117.30	111.80	116.80
GBP/KES	149.74	157.74	149.44	158.14
EUR/KES	123.59	131.49	124.39	131.89
AED/KES	29.48	32.48	28.98	32.98

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.440%	5.560%	-0.120
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

EUR/USD bears attack 1.1200, down 0.75% intraday near 1.1210 as Russian forces play their role to shake global markets, as already feared by the West. The geopolitical tussles propelled the safe-havens and oil prices during early Thursday morning in Europe.

That said, the latest update from Ukraine's Interior Ministry confirms the media reports that Kyiv is under attack from the cruise and ballistic missiles.

Russian ruble tumbled to a record low on Thursday, while the euro sank to a multi-year low to the Swiss franc after Russian forces fired missiles at several Ukrainian cities and landed troops on its south coast.

Riskier commodity-linked currencies like the Australian dollar also tanked as Ukraine said Russia had launched a full-scale invasion.

Safe havens such as the yen and U.S. dollar were in demand amid reports of explosions in the Ukrainian capital of Kyiv and gunfire near the city's main airport.

Gold prices jumped over 2% to their highest in more than a year, with investors flocking to safe havens as Russian forces invaded Ukraine after President Vladimir Putin authorised what he called a special military operation.

Spot gold was up 1.6% at \$1,937.82 per ounce by 0511 GMT, after hitting its best level since Jan. 2021 at \$1,948.77. U.S. gold futures rose 2% to \$1,937.10.

Russian forces fired missiles at several Ukrainian cities and landed troops on its south coast, officials and media said.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	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	1.1255	1.1484
GBP/USD	1.3127	1.3949
USD/AED	3.6425	3.6309
USD/JPY	109.23	117.59

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.