



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 24TH JUNE 2022

DOMESTIC NEWS

Kenya shilling eased to fresh lows against the dollar on Thursday as limited foreign currency inflows were met with end month dollar demand from fuel marketers and manufacturers. Commercial banks quoted the shillings at 117.4/60 compared to Tuesdays close of 117.30/50 (Reuters)

In other local news in the market, the price of tea at the Mombasa Auction declined significantly in this week's trading to mark the lowest value to have been realised since January. Data from the East African Tea Trade Association indicates that a kilo of the beverage dropped to \$2.16 (Sh253.8) a kilo from \$2.23 (Sh262) in the previous sale despite a decline in volumes. Buyers have been attributing the low price to diminishing demand, especially for the expensive Kenya Tea Development Agency (KTDA) teas that have a set minimum price of \$2.43 a kilo.

Indicative Forex Rates

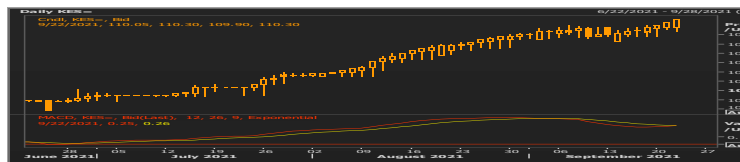
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.10	127.60	114.40	127.10
GBP/KES	139.43	154.42	138.13	154.33
EUR/KES	119.61	138.01	119.41	138.41
AED/KES	30.52	35.52	30.02	36.12

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.270%	5.250%	0.020
91-Day T-bill		8.013%	7.925%	0.088
182-Day T-Bill		9.163%	9.096%	0.067
364-Day T-Bill		9.974%	9.961%	0.013
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 U.S. dollar slipped against its major peers on Friday, on course for its first weekly decline this month as investors assess the path for Federal Reserve policy and whether aggressive rate hikes would trigger a recession. The dollar index, which measures the greenback against six rivals, edged down 0.07% to 104.33 in the Asian morning. It fell back from a 0.19% rise the previous day that was driven mostly by a decline in the euro after weak European factory data reduced bets for European Central Bank tightening.

Against the yen, which is extremely sensitive to changes in U.S. yields, the dollar eased 0.1% to 134.795. For the week, it was down about the same amount, and set to snap a three-week, 6.19% winning streak. On the other hand, the euro ticked up 0.11% to \$1.0533, but after tumbling 0.44% overnight after weaker-than-expected German and French PMI figures.

In the commodities market, Oil was down on Friday morning in Asia as fears of slower demand from slowing U.S. economic growth and supply concerns weighed on the market.

Brent oil futures inched down 0.09% to \$109.94 by 12:46 AM ET (0446 AM GMT) and crude oil WTI futures gained 0.14% to \$104.42.

Gold was down on Friday morning in Asia, set for its second straight decline, with worries of big interest rate hikes from the U.S. Federal Reserve weighing on bullion demand.

Gold futures were down 0.21% to \$1,825.95 by 12:01 AM ET (0401 AM GMT).

Fed Chair Jerome Powell reiterated that the central bank's inflation fight is "unconditional" on Thursday, while Fed Governor Michelle Bowman said she supports another 75-basis points interest rate hike in July, followed by a few more half-point hikes.

U.S. 10-year Treasury yields firmed on Friday, denting demand for gold.

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	1.0337	1.0742
GBP/USD	1.2063	1.2460
USD/AED	3.6525	3.6935
USD/JPY	132.77	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.