



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24<sup>TH</sup> MAY 2022

### DOMESTIC NEWS

Kenya shilling held against the dollar on Monday but still faced depreciation risk from sustained demand pressure by energy and manufacturing sector. Commercial banks quoted the shillings at 116.40/60 per dollar same as Friday's close.

In the local market news, The Central Bank of Kenya (CBK) is seeking to raise Sh75 billion from the sale of an 18-year infrastructure bond on which investors will not pay taxes on interest received. This is the second such paper following the February auction that raised Sh98.6 billion, surpassing the government fiscal agent's target of Sh75 billion. The bond came with a 12.96 percent tax-free interest, making it the most lucrative security the government has issued in recent years.

The new auction is also expected to record a high subscription due to the paper's tax-free status besides the CBK's tradition of paying relatively higher interest rates on such securities.

### Indicative Forex Rates

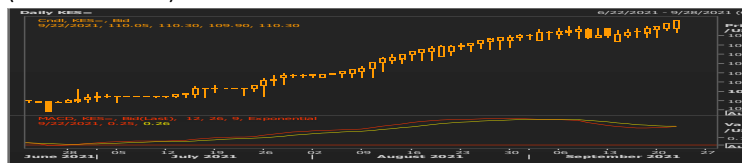
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.05	123.05	114.55	122.55
GBP/KES	142.40	155.40	142.10	151.90
EUR/KES	119.95	133.85	120.75	131.35
AED/KES	30.23	36.23	29.73	37.23

Money Market Rates	Current	Previous	Change
Interbank Rate	4.350%	4.380%	-0.030
91-Day T-bill	7.758%	7.683%	0.075
182-Day T-Bill	8.832%	8.722%	0.110
364-Day T-Bill	9.879%	9.860%	0.019
Inflation	6.500%	5.560%	0.940
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.06557	0.03245	1.81030
12 months	2.73000	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar was up on Tuesday morning in Asia. The safe-haven asset clawed back some of its overnight losses, and the yen also strengthened, as U.S. stock futures fell following a profit warning from Snapchat. The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.15% to 102.06 by 12:10 AM ET (4:10 AM GMT).

The USD/JPY pair edged down 0.13% to 127.70, with the Japanese manufacturing purchasing managers' index (PMI) for May 2022 at 53.2. Japan also released the services PMI for that month.

The AUD/USD pair was down 0.32% to 0.7084 and the NZD/USD pair was down 0.46% to 0.6437. New Zealand's core retail sales grew 0% quarter-on-quarter in the first quarter of 2022, while retail sales contracted 0.5% quarter-on-quarter.

In the commodities Market, Oil prices fell on Tuesday as concerns over a possible recession and China's COVID-19 curbs outweighed an expectation of tight global supply and a pick-up in fuel demand with the U.S. summer driving season. Brent crude futures for July slid 61 cents, or 0.5%, to \$112.81 a barrel by 0402 GMT. U.S. West Texas Intermediate (WTI) crude futures for July delivery dropped 55 cents, or 0.5%, to \$109.74 a barrel. Both benchmarks fell by more than 1% earlier in the session.

On the other hand, Gold was up on Tuesday morning in Asia. The dollar was up, stabilizing after its fall during the previous session that helped boost the yellow metal to its highest point in two weeks. Gold futures edged up 0.17% to \$1,850.94 by 11:10 PM ET (3:10 AM GMT), after hitting its highest level since May 9 at \$1,865.29 on Monday. The dollar, which normally moves inversely to gold, was up on Tuesday after falling to a one-month low in the previous session. Benchmark U.S. 10-year Treasury yields also eased.

### Indicative Profit Rates on Deposits

	Amounts > 10 million	Amounts >100,000
	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	1.0470	1.0874
GBP/USD	1.2371	1.2786
USD/AED	3.6426	3.6935
USD/JPY	125.77	130.76

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.