



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH MARCH 2022

DOMESTIC NEWS

The Kenya shilling weakened to a new all-time low on Thursday undermined by sustained dollar demand from the energy sector. Commercial banks quoted the shilling at 114.55/75 per dollar compared to Wednesday's close of 114.45/65.

In the capital markets, Kenya's stock market has the lowest returns above those available on risk-free government securities when compared to 15 other frontier and emerging markets according to an analysis by investment bank EFG Hermes. The analysis shows that Investors on the Nairobi Securities Exchange (NSE) stand to earn average annual returns of 12 percent, a mere 2.2 percentage points above the interest rate on the 12-month T-bill. This means that stock market investors are earning a small excess return for the risks they face, including share price decline and loss of capital when they sell stocks at levels below the purchase price.

Indicative Forex Rates

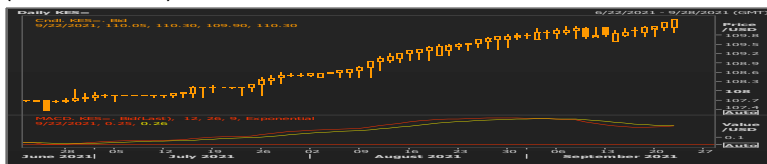
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	111.25	118.25	112.75	117.75
GBP/KES	147.73	155.73	147.43	156.13
EUR/KES	122.23	130.13	123.03	130.53
AED/KES	29.74	32.74	29.24	33.24

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.38%	4.26%	0.012
91-Day T-bill		7.283%	7.252%	0.031
182-Day T-Bill		8.134%	8.093%	0.041
364-Day T-Bill		9.767%	9.763%	0.004
Inflation		5.080%	5.390%	-0.310
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.38971	0.04267	1.44270
12 months	2.01086	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar is down this morning in Asia, while the Japanese yen is set for its worst week in two years. Rising import costs and low interest rates contributed to the yen's downward trend, but commodity currencies were set for a second consecutive weekly gain on the dollar as export prices continue to soar. The U.S. Dollar Index that tracks the greenback against a basket of other currencies was down 0.26% to 98.540 by 11:43 PM ET (3:43 AM GMT).

The USD/JPY pair fell 0.61% to 121.58. Japanese data released earlier in the day showed that the Tokyo consumer price index (CPI) for March 2022 grew 1.3%, and the Tokyo core CPI grew 0.8%, year-on-year. The CPI Tokyo excluding food and energy also grew 0.2% month-on-month.

Oil prices fell about a \$1 earlier today as the United States and allies considered releasing more oil from storage to cool markets and as traders faced higher costs for trading benchmark Brent futures. Brent crude futures fell \$1.07, or 0.9%, to \$117.96 a barrel at 0053 GMT, after sliding 2.1% in the previous session. U.S. West Texas Intermediate (WTI) crude futures fell \$1.20, or 1.1%, to \$111.14 a barrel, having dropped 2.3% in the previous session.

Gold is up on Friday morning in Asia and is set for its third weekly gain in four. There is no material progress made in the Russia and Ukraine peace talks, giving the yellow metal a boost, but rising U.S. yields capped its gains. Gold futures inched up 0.01% to \$1,962.4 by 1:02 PM ET (5:02 AM GMT), near a more than one-week high hit during the previous session and gaining nearly 2% in the week to date.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	KES		USD
2 Weeks	6.55%	0.35%	
1 Month	6.75%	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	1.0522	1.1334
GBP/USD	1.3012	1.3999	
USD/AED	3.6424	3.6337	
USD/JPY	115.25	123.74	

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.