



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH MAY 2022

DOMESTIC NEWS

Kenya shilling holds ground against the dollar on Tuesday but still faced depreciation risk as the energy sector continued to struggle to fulfil bids for hard currency. Commercial banks quoted the shillings at 116.45/65 per dollar compared to Monday's close 116.40/60.

In the local market news, Kenya's coffee production in the 2022-23 season is projected to drop by 10 percent to 700,000 bags on the back of rising prices of fertiliser, the US Department of Agriculture (USDA) says in a newly published report that tracks coffee production in the country.

The surge in global fertilizer prices began at the beginning of 2021 due to the impact of the Covid-19 pandemic. The ongoing war between Russia and Ukraine has worsened the situation.

Currently, fertiliser prices in Kenya stand at Sh6,000 per 50 kilogramme bag, a 71 percent increase from a year earlier.

Indicative Forex Rates

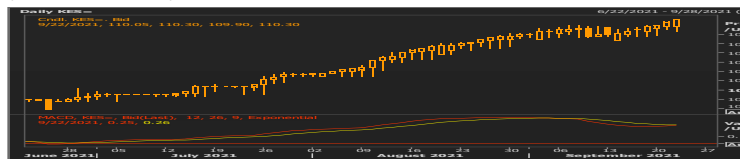
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.10	123.10	114.60	122.60
GBP/KES	142.25	155.25	141.95	151.75
EUR/KES	120.47	134.37	121.27	131.87
AED/KES	30.24	36.24	29.74	37.24

Money Market Rates	Current	Previous	Change
Interbank Rate	4.380%	4.380%	0.000
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	2.06186	0.03281	1.83530
12 months	2.71800	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The U.S. dollar index hit nearly a one-month low on Tuesday after European Central Bank President Christine Lagarde said euro zone interest rates will likely be in positive territory by the end of the third quarter, giving the euro a boost.

Lagarde's comments implied an increase of at least 50 basis points to the ECB deposit rate and fueled speculation of bigger hikes this summer to fight a surge in inflation tied to rising energy prices caused by the war in Ukraine and massive public-sector stimulus after the onset of the coronavirus pandemic.

On the other hand, the euro was up 0.42% at \$1.07355 at 3:25 p.m. EDT (1925 GMT). Over the past seven trading sessions, the single currency has rebounded 3.7% after having fallen to its lowest level since January 2017, at \$1.0349, earlier this month.

In the commodities market, Oil prices rose in early trade on Wednesday, boosted by tight supplies and the prospect of rising demand from the upcoming start of the U.S. summer driving season.

Brent crude futures for July rose 46 cents, or 0.4%, to \$114.02 a barrel by 0020 GMT. U.S. West Texas Intermediate (WTI) crude futures for July delivery was up 58 cents, or 0.5%, to \$110.35 a barrel.

Brent had gained 0.1% on Tuesday while WTI settled down 52 cents.

Gold was up on Wednesday morning in Asia, with inflation's uncertain path giving the yellow metal a boost.

Gold futures were up 0.26% to \$1,860.30 by 11:39 PM ET (3:39 AM GMT). The dollar, which normally moves inversely to gold, inched up on Wednesday after falling to a one-month low in the previous session.

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	1.0501	1.0905
GBP/USD	1.2330	1.2735	
USD/AED	3.6526	3.6930	
USD/JPY	125.05	130.55	

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