



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH JULY 2022

DOMESTIC NEWS

Kenya shilling was broadly stable on Monday with demand for dollars from general goods importers being matched by inflows from non-governmental organizations. Commercial banks quoted the shillings at 118.60/80 per dollar compared with Friday's close of 118.55/75.

In other local news, Kenya's biggest listed firms and tier one banks have in the past year cut their cash holdings by nearly Sh60 billion, unwinding through dividends and new investments some of the muscle they had built up at the height of the Covid-19 pandemic.

An analysis done by Business Daily on the Nairobi Securities Exchange's (NSE) 16 largest firms—which have a market capitalisation of at least Sh10 billion each—shows that while their cash holdings are still well above the pre-Covid levels, there was a significant drawdown for the 2021 financial year when banks resumed paying dividends.

Indicative Forex Rates

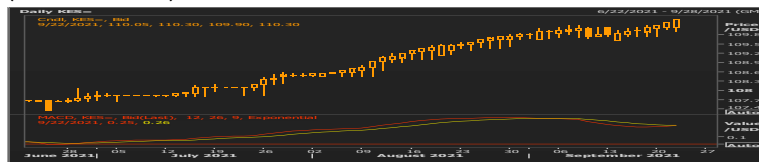
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	115.30	129.90	115.80	126.80
GBP/KES	139.37	158.87	138.57	153.37
EUR/KES	116.61	142.51	116.91	135.51
AED/KES	28.34	44.34	30.34	37.84

Money Market Rates	Current	Previous	Change
Interbank Rate	5.240%	5.200%	0.040
91-Day T-bill	8.322%	8.248%	0.074
182-Day T-Bill	9.393%	9.305%	0.088
364-Day T-Bill	9.968%	9.986%	0.018
Inflation	7.910%	7.080%	0.830
CBR RATE	7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.32286	0.04823	2.45390
12 months	3.81429	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Tuesday morning in Asia ahead of the U.S. Federal Reserve policy decision. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.09% to 106.38 by 12:42 AM ET (4:42 AM GMT). Relative to other major currencies the USD/JPY pair edged down 0.13% to 136.49 while the AUD/USD pair inched up 0.06% to 0.6957, and the NZD/USD pair inched down 0.02% to 0.6263. Australian Consumer Price Index rose to 6.3% year-on-year, the fastest pace in more than three decades.

In the commodities market, Oil prices rose on Tuesday for a second day on increasing concerns about tightening European supply after Russia, a key oil and natural gas supplier to the region, cut gas supply through a major pipeline. Brent crude futures for September settlement rose \$1.51, or 1.4%, to \$106.66 a barrel by 0339 GMT, extending a 1.9% gain in the previous day. U.S. West Texas Intermediate (WTI) crude futures for September delivery increased \$1.36, or 1.4%, to \$98.04 a barrel, having gained 2.1% on Monday.

Gold was up on Tuesday morning in Asia over a weaker dollar, but prices were stuck in a tight range as investors shifted focus to a possible U.S. interest rate hike.

Gold futures jumped 0.27% to \$1,723.75 by 11:31 PM ET (3:31 AM GMT). The dollar, which normally moves inversely to gold, edged down on Tuesday morning. The dollar fell for a fourth straight session, down 0.1% against a basket of major currencies, as investors weighed the implications of a looming rate hike by the U.S. Federal Reserve. The Fed concludes its two-day meeting on Wednesday, where it is widely expected to raise interest rates by 75 basis points.

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	0.9995	1.0429
GBP/USD	1.1861	1.2210
USD/AED	3.6528	3.6931
USD/JPY	134.55	138.35

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.