



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH SEPTEMBER 2022

DOMESTIC NEWS

The Kenya shilling was little changed on Friday but is expected to weaken further as dollar demand across the economy has built.

Commercial banks quoted the shillings at 120.55/75 per dollar compared with Thursdays close of 120.50/70.

In other news, the listed banks improved their efficiency in the first half of the year after keeping a lid on costs while enjoying higher profits in a recovering economy that supported higher lending and fee income.

In the first half of the year, seven of the 10 local listed banks cut their cost-to-income ratios—the exceptions being KCB, Standard Chartered Kenya and DTB— meaning they were effectively spending less to generate every shilling of income.

Analysis done by Dyer & Blair Investment bank shows that the average ratio for the 10 lenders in the six months to June 2022 was 50.15 percent, compared to 54.2 percent in the first half of 2021. (Business daily)

Indicative Forex Rates

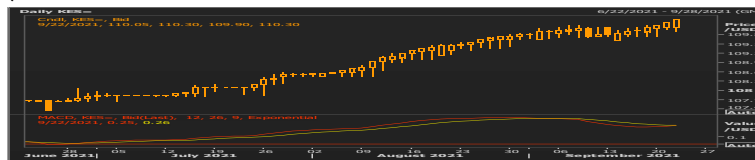
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.20	127.70	116.70	127.20
GBP/KES	123.28	142.78	122.48	137.28
EUR/KES	111.27	137.17	111.57	130.17
AED/KES	28.86	38.86	30.85	38.35

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.430%	4.060%	1.3700
91-Day T-bill		8.951%	8.950%	0.001
182-Day T-Bill		9.625%	9.615%	0.010
364-Day T-Bill		9.909%	9.913%	0.004
Inflation		8.530%	8.320%	0.210
CBR RATE		7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	4.20129	0.05316	3.64200
12 months	4.83486	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The British pound hit a record low on Monday, while the euro fell to a 22-year trough as growing concerns over worsening economic conditions in Europe saw the dollar flush with safe-haven trades.

The pound fell as much as 5% to a lifetime low of \$1.0384, with doubts over the UK's fiscal stability growing after the country announced extensive tax cuts in the face of a looming recession.

The common currency Euro slumped 0.5% to a new 22-year low of \$.09643. A batch of weak Eurozone economic readings last week saw investors pricing in a likely recession in the bloc. Fears of a brewing energy crisis and a potential escalation in the Russia-Ukraine war also dented sentiment towards the currency.

In the commodities market, Oil prices fell for a second day on Monday on fears of lower fuel demand from an expected global recession sparked by rising worldwide interest rates and as a surging U.S. dollar limits the ability of non-dollar consumers to purchase crude.

Brent crude futures for November settlement slipped 54 cents, or 0.63%, to \$85.61 a barrel at 0511 GMT. U.S. West Texas Intermediate (WTI) crude futures for November delivery dropped 48 cents, or 0.61%, to \$78.26.

Gold and copper prices retreated further on Monday as the dollar notched a new 20-year high amid growing fears of rising interest rates and a potential economic recession.

Metal markets plummeted last week after the U.S. Federal Reserve hiked interest rates and warned of potential economic pain as it looks to combat runaway inflation.

Economic indicators from the Eurozone and the UK also showed a pronounced contraction in business activity, ramping up fears of a recession and denting the demand outlook for metal markets.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	KES	USD	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	0.9628	1.0033
GBP/USD	1.0402	1.0805
USD/AED	3.6630	3.6832
USD/JPY	141.15	145.20

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.