



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH JUNE 2022

DOMESTIC NEWS

Kenya shilling was stable against the dollar on Friday but remained under pressure as manufacturers sought dollars amid limited inflows. Commercial banks quoted the shillings at 117.55/75 per dollar compared to Thursday's close of 117.50/70 (Reuters).

In other local news in the market the government has raised Sh19.59 billion from the reopened sale of two April bonds — the three and the 15-year papers — after the securities underperformed in the first auction.

The Central Bank of Kenya was in the market to raise Sh25 billion from the resale of the securities but fell short by Sh5.4 billion. The tap sale attracted bids worth Sh19.6 billion but the CBK accepted bids worth Sh19.59, rejecting Sh10 million.

The latest sale targeted investors who were willing to take interest rates set in the first auction. The three-year paper has a coupon of 11.766 percent while that on the 15-year security stands at 13.942 percent.

Indicative Forex Rates

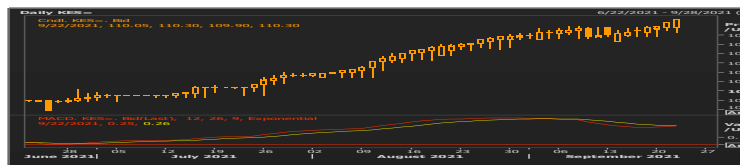
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.10	127.60	114.40	127.10
GBP/KES	139.43	154.42	138.13	154.33
EUR/KES	119.61	138.01	119.41	138.41
AED/KES	30.52	35.52	30.02	36.12

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.270%	5.250%	0.020
91-Day T-bill		8.013%	7.925%	0.088
182-Day T-Bill		9.163%	9.096%	0.067
364-Day T-Bill		9.974%	9.961%	0.013
Inflation		7.080%	6.500%	0.580
CBR RATE		7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.86657	0.04083	2.23920
12 months	3.54471	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar found support from investors worried about recession and seeking safety to hold just below a two-decade high on Monday, having slipped late last week after downbeat U.S. economic data reduced bets on U.S. interest rate hikes.

While Asian stocks followed Wall Street higher, currency traders were wary of extending Friday's dollar selling because the dollar typically rises in times of uncertainty. The risk-sensitive Australian dollar eased 0.3% to \$0.6918, weighed down by sliding commodity prices. The euro was pinned at \$1.0563, though the beaten-down yen steadied to 134.68 per dollar. The U.S. dollar index was steady at 104.010, having made a 20-year peak of 105.79 earlier in the month.

In the commodities markets, Oil was up on Monday morning in Asia as investors are looking for more clues from the G7 meeting this week on Russian oil exports and a revival of the Iran nuclear deal.

Brent oil futures inched up 0.06% to \$109.16 by 12:56 AM ET (0456 GMT) and crude oil WTI futures stabilized at \$107.62. Oil prices remained well supported above \$100 a barrel as crude and oil product supplies remained tight after the West posed sanctions on Russian oil. On the other hand, Gold was up on Monday morning in Asia as some countries from the Group of Seven (G7) plan to ban bullion imports from Russia, which might tighten supplies. Gold futures were up 0.37% to \$1,837.05 by 11:59 PM ET (0359 GMT).

The dollar, which normally moves inversely to gold, was down 0.2% on Monday morning. As a way to tighten the sanctions on Russia over its invasion of Ukraine, the U.S., UK, Japan, and Canada also plan to announce a ban on new gold imports from Russia during the G7 summit. The G7 leaders plan to offer indefinite support to Ukraine in its defense against Russia's invasion.

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	1.0354	1.0760
GBP/USD	1.2065	1.2465
USD/AED	3.6526	3.6936
USD/JPY	133.77	137.95

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.