



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH MAY 2022

DOMESTIC NEWS

Kenya shilling was broadly stable in scant trade on Thursday as supply of dollars struggled to match demand from the manufacturing sector. Commercial banks quoted the shillings at 116.60/80 per dollar compared to Tuesday's close 116.55/75.

In other local news in the market, Cash handled by mobile money agents in the three months to March grew at a slower pace of 7.2 percent compared to the previous quarter amid increasing prices of consumer goods depressing spending.

The latest data from the Central Bank of Kenya (CBK) show agent transactions in the period rose by Sh122.7 billion to Sh1.82 trillion from Sh1.69 trillion in the same period in 2021 which had recorded 56.1 percent growth compared to the same quarter in 2020. March recorded a record high value of transactions to Sh664.3 billion.

Indicative Forex Rates

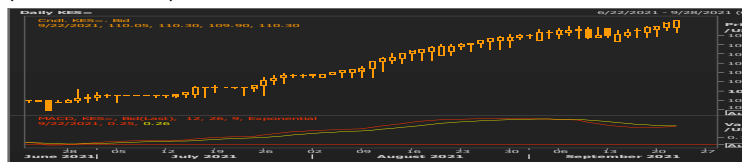
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.20	123.20	114.70	122.70
GBP/KES	143.68	156.68	143.38	153.18
EUR/KES	121.14	135.04	121.94	132.54
AED/KES	30.27	36.27	29.77	37.27

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.630%	4.640%	0.010
91-Day T-bill		7.758%	7.744%	0.014
182-Day T-Bill		8.901%	8.832%	0.069
364-Day T-Bill		9.881%	9.879%	0.002
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	2.07114	0.03281	1.76880
12 months	2.68886	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Friday morning in Asia. The U.S. currency fell to a one-month low, with investors lowering U.S. Federal Reserve interest rate hike expectations and signs that the central bank could slow or even pause its tightening cycle in the second half of 2022.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies was down 0.34% to 101.32 by 12:28 AM ET (4:28 AM GMT). The U.S. currency also fell against the euro to its weakest level since April 25 at \$1.0765. It also fell to the lowest level against the pound since Apr. 26, 2022. The dollar's loss was the risk-sensitive Antipodean currencies' gain, with the Australian and New Zealand dollars both on an upward trend. The AUD/USD pair rose 0.63% to 0.7143 and the NZD/USD pair rose 0.70% to 0.6522.

In the commodities market, Gold was up on Friday morning in Asia and was set for a second weekly gain after the dollar retreated from 20-year highs. The yellow metal futures were up 0.28% to \$1,852.70 by 11:30 PM ET (3:30 AM GMT) and was up 0.2% in the week to date.

Oil prices on the other hand hovered around a two-month high on Friday, with Brent crude on track for its biggest weekly jump in 1-1/2 months, supported by the prospect of an EU ban on Russian oil and the coming summer driving season in the United States.

Brent crude futures for July dipped 9 cents to \$117.31 a barrel at 0247 GMT after rising to as high as \$118.17 earlier in the session. The benchmark was on track for a gain of about 4% this week.

U.S. West Texas Intermediate (WTI) crude futures were down 18 cents, or 0.2%, at \$113.91 a barrel. WTI is set for a weekly gain of about 0.7%.

Both Brent and WTI crude contracts are set to end the week higher as the European Commission continues seeking the unanimous support of all 27 bloc member states needed to implement its proposed new sanctions against Russia.

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	1.0474	1.0879
GBP/USD	1.2362	1.2735
USD/AED	3.6426	3.6926
USD/JPY	125.05	130.05

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.