



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH SEPTEMBER 2022

DOMESTIC NEWS

The Kenya shilling was unchanged on Monday but was expected to weaken as emerging dollar demand from fuel importers was unlikely to be matched by hard currency inflows.

Commercial banks quoted the shillings at 120.50/70 per dollar same as Friday's close.

In other news, The Central Bank of Kenya's monetary policy committee (MPC) faces a tough test this week making a decision on the benchmark interest rate and stimulating economic recovery amid elevated inflationary pressure, which hit a 62-month high last month.

The MPC, which usually sits every two months, will this Thursday signal bank to either hold or raise borrowing costs. The pronouncement will come at a time the economy is projected to start recovering from a five-month softening streak that followed a bruising presidential poll amid soaring prices for households and businesses. (Business daily)

Indicative Forex Rates

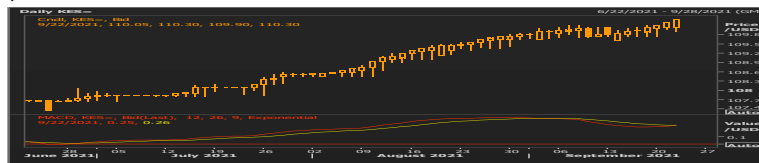
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.20	127.70	116.70	127.20
GBP/KES	125.97	145.47	125.17	139.97
EUR/KES	111.45	137.35	111.75	130.35
AED/KES	28.86	38.86	30.86	38.36

Money Market Rates	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 jumped from record lows on Tuesday as local Treasury yields surged, with the focus now turning squarely to potential policy actions by the Bank of England (BoE) to stabilize local currency markets.

The pound rose 0.7% to \$1.0764 by 22:38 ET (02:38 GMT), after plummeting to a record low of \$1.0327 on Monday. The currency's sharp sell-down was driven chiefly by concerns over a new plan to cut taxes.

In the commodities market, Oil prices rose on Tuesday, after plunging to nine-month lows a day earlier, on indications that producer alliance OPEC+ may enact output cuts to avoid a further collapse in prices.

Brent crude futures for November settlement rose 65 cents, or 0.77%, to \$84.71 per barrel by 0502 GMT. U.S. West Texas Intermediate (WTI) crude futures for November delivery were up 64 cents at \$77.35 per barrel.

On the other hand, Gold prices rose slightly from two-year lows on Tuesday as a rally in the dollar paused, while a recovery in copper was cut short by data showing more weakness in Chinese industrial activity.

Spot gold rose 0.5% to \$1,629.96 an ounce, while gold futures were flat at \$1,637.25 an ounce by 21:57 ET (01:57 GMT). Both instruments recovered from their lowest levels since early 2020, as pressure from the dollar appeared to have eased.

Other precious metals suffered similar losses this year. Silver is down over 20%, while platinum shed 12.5%.

Focus is now on an address by Federal Reserve Chairman Jerome Powell on Wednesday for more cues on U.S. monetary policy. Powell had struck an extremely hawkish tone during the Fed's meeting last week.

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	0.9628	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.