



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 2<sup>ND</sup> NOVEMBER 2022

### DOMESTIC NEWS

Kenya Shilling was a little changed on Tuesday and is expected to ease due to increased demand for dollars from the energy sector. Commercial banks quoted the shilling at 121.35/55 per dollar compared with Mondays closing rate of 121.25/45.

In other news, The Capital Markets Authority (CMA) has called for a revival of the M-Akiba mobile bond programme, saying it will enable more Kenyans to access the returns on offer from government bonds at a time other asset classes are offering low or negative returns.

The markets regulator also sees the bonds market as offering a haven option for local investors in a time of investment volatility, like the role the US bonds market is playing on a global scale for investors.

One of the accessibility hurdles for the local bonds market is the relatively high entry requirement for investors, who need to invest a minimum of Sh50,000 for normal bonds and Sh100,000 for infrastructure bonds at the monthly auction.

(Business daily)

### Indicative Forex Rates

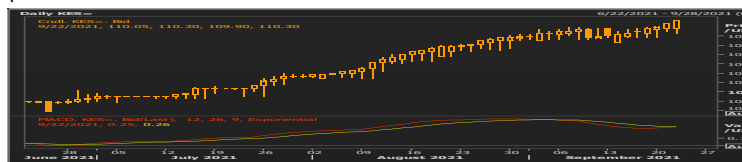
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.35	128.85	117.35	127.85
GBP/KES	135.67	148.67	134.87	149.57
EUR/KES	115.08	128.98	115.38	131.88
AED/KES	29.04	42.04	31.04	38.54

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.800%	5.020%	0.220
91-Day T-bill		9.127%	9.100%	0.027
182-Day T-Bill		9.678%	9.664%	0.014
364-Day T-Bill		9.965%	9.928%	0.037
Inflation		9.600%	9.200%	0.040
CBR RATE		7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	4.91586	0.03836	4.03960
12 months	5.44829	-	-

(Source: Reuters



### INTERNATIONAL NEWS

The U.S. dollar weakened in early European trade Tuesday as traders weighed the likelihood that the Federal Reserve signals a less aggressive interest rate tightening path at the end of its latest policy meeting on Wednesday.

At 03:55 ET (07:55 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.4% lower at 110.993, retreating from a two-decade high of 114.78 at the end of September.

The Fed is widely expected to deliver another 75 basis point rate hike after the conclusion of its latest policy-setting meeting on Wednesday, its fourth such increase in a row.

EUR/USD rose 0.3% to 0.9916, with pressure remaining on the European Central Bank to continue raising interest rates, following last week's 75 basis points hike, after Monday's data showed Eurozone inflation came in at 10.7% in October, a new record. On the other hand GBP/USD rose 0.3% to 1.1507, ahead of Thursday's Bank of England meeting, which is widely expected to result in another increase in interest rates with inflation running at double digits.

In the commodities markets, Oil prices rose more than 1% on Wednesday after industry data showed a surprise drop in U.S. crude inventories, suggesting demand is holding up despite steep interest rate hikes dampening global growth.

Brent crude futures rose \$1.13, or 1.2%, to \$95.78 a barrel at 0441 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose \$1.26, or 1.4%, to \$89.63 a barrel.

Gold prices held recent gains on Wednesday as the dollar steadied before the conclusion of a Federal Reserve meeting, while copper prices were lifted by speculation over China potentially relaxing its strict zero-COVID policy.

Spot gold steadied around \$1,648.23 an ounce, while gold futures rose 0.1% to \$1,650.80 an ounce. Both instruments jumped from a 10-day low on Tuesday, as the dollar paused its recent rally.

In the commodities market, Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000	
	KES	USD	KES	USD
2 Weeks	6.00%	1.00%		
1 Month	6.55%	1.75%		
3 Months	7.00%	2.25%		
6 Months	7.50%	3.00%		
1 year	8.00%	3.75%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	0.9720	1.0203
GBP/USD	1.1323	1.1762
USD/AED	3.6630	3.6832
USD/JPY	146.25	150.25

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.