



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 30TH AUGUST 2022

### DOMESTIC NEWS

The Kenya shilling was stable on Monday and is expected by traders to weaken due to increased for dollars especially from oil marketing companies that exceeded inflows from remittances.

Commercial banks quoted the shillings at 119.90/120.10 per dollar the same as Fridays close.

In other news in the market, For the first time in seven years, the savings and credit co-operative societies' (saccos') returns have fallen below two percent of their assets, signalling the struggle to sweat member contributions.

An analysis of data from the Sacco Societies Regulatory Authority (Sasra) shows the return on assets for the year ended December 2021 sank to 1.59 percent of Sacco assets, down from 2.65 percent the previous year.

The last time Sacco return on assets (ROA) dipped below 2.0 percent was in 2015 when it stood at 1.89 percent.

### Indicative Forex Rates

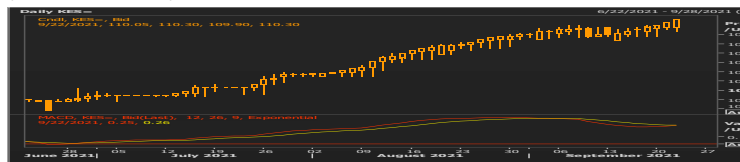
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.50	127.00	118.00	126.10
GBP/KES	134.44	148.44	133.14	148.84
EUR/KES	115.59	130.99	115.39	132.89
AED/KES	31.17	34.95	29.45	34.45

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.160%	5.160%	0.000
91-Day T-bill		8.767%	8.669%	0.098
182-Day T-Bill		9.532%	9.492%	0.040
364-Day T-Bill		9.910%	9.909%	0.001
Inflation		8.320%	7.910%	0.410
CBR RATE		7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.56643	0.04330	3.10750
12 months	4.12329	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar touched a fresh 20-year high on Monday, lifted by hawkish comments by Federal Reserve Chair Jerome Powell, but was kept in check as the euro was boosted by growing expectations for European Central Bank (ECB) rate hikes.

The dollar index, which measures the currency's value against a basket of peers, hit 109.48 early in the session, a level not seen since September 2002.

The euro clawed higher, helped by comments from a European official that pointed to a possible 75-basis-point hike at the Sept. 8 ECB meeting.

ECB board member Isabel Schnabel warned on Saturday that central banks risk losing public trust and must act forcefully to curb inflation, even if that drags their economies into a recession.

Oil prices dipped on Tuesday, paring some gains from the previous session, as the market feared that more aggressive interest rates hikes from central banks may lead to a global economic slowdown and soften fuel demand.

Brent crude futures for October settlement dropped 81 cents, or 0.7%, to \$104.28 a barrel by 0359 GMT after climbing 4.1% on Monday, the biggest increase in more than a month.

U.S. West Texas Intermediate crude was at \$96.68 a barrel, down 33 cents, or 0.3%, following a 4.2% rise in the previous session.

Gold prices recovered slightly on Tuesday, taking some relief as the dollar retreated from a 20-year peak, although hawkish signals from the Federal Reserve still weighed on the market.

Spot gold rose 0.1% to \$1,738.55 an ounce, while gold futures broke above \$1,750 an ounce with a similar gain by 21:07 ET (01:07 GMT).

Slight weakness in the greenback helped bullion prices gain on Monday. The dollar retreated against the euro on expectations that the European Central Bank will tighten monetary policy more aggressively than initially thought.

### 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	0.9849	1.0129
GBP/USD	1.1567	1.1823
USD/AED	3.6529	3.6933
USD/JPY	136.71	139.60

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.