



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH MARCH 2022

DOMESTIC NEWS

The Kenya shilling was stable on Tuesday and traders forecast it to weaken due to increased dollar demand from the energy with high end-month demand from energy hardware and merchandise importers. Commercial banks quoted the local currency at 114.80/115.00 per dollar compared to Monday close of 114.75/95.

In other news locally, The Central Bank of Kenya (CBK) on Tuesday retained the base lending rate at 7 percent for the thirteenth time in a row shrugging off mounting jitters over the economic fallout from the Russia-Ukraine onslaught and the upcoming August 9 General Election. This has spared consumers any increases in the cost of loans this year after the bank regulator sent its signal to banks to hold interest rates steady.

In the local commodities market, horticulture earnings dropped by Sh7.1 billion in January this year as the volume of produce exported also declined. Data from the Kenya National Bureau of Statistics (KNBS) indicates the export value of the produce declined to Sh8.1 billion in the month under review from Sh15.2 billion a year earlier.

Indicative Forex Rates

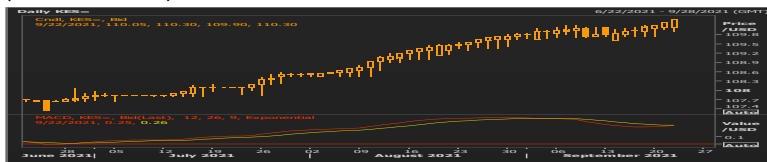
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	111.40	118.40	112.90	117.90
GBP/KES	146.55	154.55	146.25	154.95
EUR/KES	123.26	131.16	124.06	131.56
AED/KES	29.78	32.78	29.28	33.28

Money Market Rates	Current	Previous	Change
Interbank Rate	4.35%	4.34%	0.001
91-Day T-bill	7.283%	7.252%	0.031
182-Day T-Bill	8.134%	8.093%	0.041
364-Day T-Bill	9.767%	9.763%	0.004
Inflation	5.080%	5.390%	-0.310
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.49271	0.04330	1.49300
12 months	2.19886	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar is down this morning in Asia as hopes for a breakthrough in peace talks between Russia and Ukraine gave the euro a boost. The U.S. Dollar Index that tracks the greenback against a basket of other currencies is down 0.32% to 98.125 by 11:28 PM ET (3:28 AM GMT).

On the other hand, the battered yen has bounced as traders began doubting whether Japanese authorities would tolerate too much more weakness, while hopes for a breakthrough in Russia-Ukraine peace talks helped the euro and dragged on the dollar.

The currency rose more than 1% to 121.32 per dollar, with a meeting between Bank of Japan (BOJ) Governor Haruhiko Kuroda and Prime Minister Fumio Kishida adding to speculation about the level of official discomfort with a falling yen. It has lost more than 5% on the dollar in March.

In the commodities market, Oil prices clawed back heavy losses on Wednesday, amid tight supply and growing prospects of new Western sanctions against Russia even as signs of progress emerged from peace talks between Moscow and Kyiv.

Brent crude futures touched a high of \$112.78 shortly after opening and were up 86 cents, or 0.8%, at \$111.09 at 0426 GMT, reversing a 2% loss in the previous sessions. West Texas Intermediate (WTI) crude futures gained 82 cents, or 0.8%, to \$105.06 a barrel, erasing a 1.6% drop on Tuesday.

Gold on the other hand is up this morning in Asia, remaining near a one-month low hit during the previous session. The peace talks between Russia and Ukraine showed progress and dimmed the yellow metal's safe-haven appeal. However, a weaker dollar and falling yields limited losses.

Gold futures were up 0.62% to \$1,924 by 12:23 AM ET (4:23 AM GMT), dropping as much as 1.8% to \$1,889.45 on Tuesday, the lowest level since Feb. 28. The dollar, which usually moves inversely to gold, was down on Wednesday and U.S. benchmark 10-year yields also fell from near three-year highs.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.55%	0.35%
1 Month	6.75%	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	1.0299	1.1344
GBP/USD	1.3004	1.3700
USD/AED	3.6125	3.6895
USD/JPY	117.56	125.79

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.