



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH SEPTEMBER 2022

DOMESTIC NEWS

The Kenya shilling weakened slightly on Thursday as dollar demand from fuel importers and a smaller companies outpaced supply.

Commercial banks quoted the shillings at 120.65/85 per dollar compared to Wednesday's close of 120.60/80.

In the commodities market locally, Retail cement prices have retreated in the past month after hitting a high of between Sh800 and Sh1,000 per 50-kg bag in March on improved supply from factories whose clinker shortage has eased.

The cost of cement, alongside that of other building materials, had shot up significantly in the first quarter of this year, saddling developers with higher costs which saw some pause projects due to budget overruns.

The higher costs were partly due to global supply chain constraints due to pent up demand catching up with the market after the Covid-19 pandemic and the Russia-Ukraine war that raised the cost of coal, which is used to make clinker. (Business daily)

Indicative Forex Rates

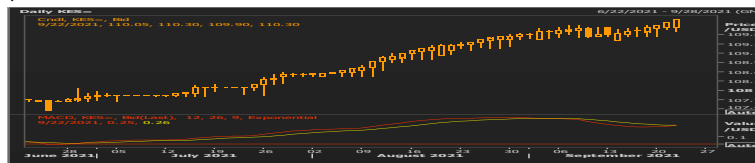
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.20	127.70	118.70	126.80
GBP/KES	130.74	144.74	127.44	143.14
EUR/KES	114.12	129.52	113.92	131.42
AED/KES	28.86	38.86	30.86	38.36

Money Market Rates	Current	Previous	Change
Interbank Rate	5.500%	5.510%	0.001
91-Day T-bill	8.952%	8.951%	0.001
182-Day T-Bill	9.631%	9.625%	0.006
364-Day T-Bill	9.905%	9.909%	0.004
Inflation	8.530%	8.320%	0.210
CBR RATE	7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	4.16986	0.05209	4.61970
12 months	4.77600	-	-

(Source: Reuters)



INTERNATIONAL NEWS

Sterling rose sharply in volatile trading on Thursday, rallying from record lows hit on Monday, after the Bank of England conducted a second day of bond buying to stabilize financial markets.

The pound posted its largest one-day percentage gain since March 2020 and last traded at \$1.1076, up 1.8%. After hitting an all-time trough of \$1.0327 three days ago, sterling has rallied more than 7% against the dollar.

The dollar, on the other hand, fell against a basket of major currencies. It was last down 0.4% at 112.148. while the Euro rose 0.7% against the dollar to \$0.9804.

Oil prices were little changed during Asian trade on Friday, though were headed for their first weekly gain in five weeks, underpinned by a weaker U.S. dollar and the possibility that OPEC+ may agree to cut crude output when it meets on Oct. 5.

Brent crude futures for November, which expire on Friday, inched down 10 cents or 0.1% to \$88.39 a barrel by 0303 GMT, after losing 83 cents in the previous session. The more active December contract was unchanged at \$87.18.

U.S. West Texas Intermediate (WTI) crude futures for November delivery rose 0.1% or by 9 cents to \$81.32 a barrel, after falling 92 cents in the previous session.

Gold prices rose slightly on Friday as pressure from the dollar eased further but were set for a sixth straight month of losses as rising interest rates severely dampened the outlook for the yellow metal.

Bullion prices were set to lose nearly 3% in September, following a series of hawkish moves and commentary by the U.S. Federal Reserve. A spike in the dollar, which jumped to 20-year highs earlier this month, also pressured gold.

Spot gold prices rose 0.1% to \$1,662.86 an ounce, while gold futures were up 0.2% at \$1,671.20 an ounce by 19:30 ET (23:30 GMT). Gold prices were also set to add 1.2% this week.

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	0.9651	1.0055
GBP/USD	1.0920	1.1352
USD/AED	3.6630	3.6832
USD/JPY	142.30	146.55

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.