



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 31ST AUGUST 2022

DOMESTIC NEWS

The Kenya shilling was stable was on Tuesday, but traders said it was expected to ease due to demand for dollars from oil retailing companies and manufacturers.

Commercial banks quoted the shillings at 119.95/120.15 per dollar compared to Mondays closing rate of 119.90/120.10.

In other news in the market, Insurance firms suffered a decline in investment income in the first half of the year due to lower share prices in the Kenyan stock market denting their profitability.

Sanlam Kenya, Old Mutual Holdings, Jubilee Holdings, and CIC Insurance Group have all reported lower income and gains from their stocks, in a period when the Nairobi Securities Exchange (NSE) shed Sh654 billion or a quarter of its market capitalization.

Old Mutual said in its financials published yesterday that its investment income fell by 35 per cent to Sh1.88 billion in the period, while CIC, which made its disclosures earlier this month, reported a decline of 22 per cent to Sh2.05 billion. (Business daily)

Indicative Forex Rates

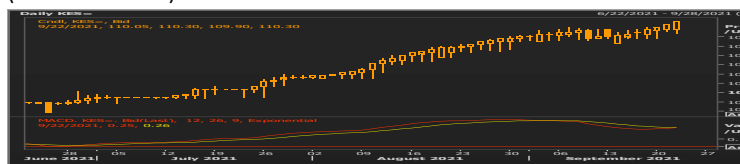
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.60	127.10	118.10	126.20
GBP/KES	134.39	148.39	133.09	148.79
EUR/KES	116.23	131.63	116.03	133.53
AED/KES	31.20	34.97	29.47	34.47

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.130%	5.160%	0.030
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 edged higher on Tuesday but was below the 20-year high it hit a day earlier, while the euro broke back above parity, as markets priced in super-sized interest rate hikes by the U.S. Federal Reserve and the European Central Bank (ECB).

The greenback has been supported by aggressive rate hikes by the Fed in an effort to reel in decades-high inflation, and economic data released on Tuesday gave the central bank no reason to hold back.

The dollar index was up 0.074% at 108.73 at 3:00 p.m. Eastern time (1900 GMT), after touching 109.48 on Monday, its highest level since September 2002.

The euro was 0.28% higher at \$1.00245, rising back above parity with the greenback.

In the commodities markets, Oil prices recovered slightly on Wednesday as data pointed to firm fuel demand in the United States, providing respite after a 5% drop a day earlier on fear of demand suffering from increased China COVID-19 curbs and central bank interest rate hikes.

U.S. West Texas Intermediate (WTI) crude futures jumped 85 cents, or 0.9%, to \$92.49 a barrel at 0456 GMT, after sliding \$5.37 in the previous session driven by recession fears.

Brent crude futures for October, due to expire on Wednesday, climbed 70 cents, or 0.7%, to \$100.01 a barrel, trimming Tuesday's \$5.78 loss. The more active November contract was up 93 cents, or 1%, at \$98.77 a barrel.

Gold prices fell on Wednesday and were set for a fifth straight month of losses amid fears of aggressive policy tightening by the Federal Reserve, while copper rose as Chinese manufacturing activity improved slightly in August.

Spot gold fell 0.2% to \$1,721.67 an ounce by 21:56 ET (01:56 GMT), while gold futures dropped 0.2% to \$1,732.85 an ounce. Both indicators were set to lose about 2.4% in August, their fifth straight month of declines after the Fed began hiking interest rates this year.

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	0.9855	1.0225
GBP/USD	1.1567	1.1823
USD/AED	3.6530	3.6941
USD/JPY	136.77	139.97

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.