



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 31<sup>ST</sup> MAY 2022

### DOMESTIC NEWS

Kenya shilling weakened on Monday to a new record low due to increased demand for dollars from importers in the manufacturing and energy sectors and a death of inflows. Commercial banks quoted the shillings at 116.70/90 per dollar compared to Friday's close 116.60/80

In other local news in the market, The Central Bank of Kenya on Monday raised its policy lending rate by a half percentage point to stem rising inflation and stabilize the Shilling.

The increase in the Central Bank Rate (CBR) to 7.50 percent matched the expectations of most analysts who had said they expect the policy rate to rise further in the coming months as the country fights off inflationary pressure brought home by rising oil prices and the economic fallout from the Russia-Ukraine onslaught which has hit food supplies.

### Indicative Forex Rates

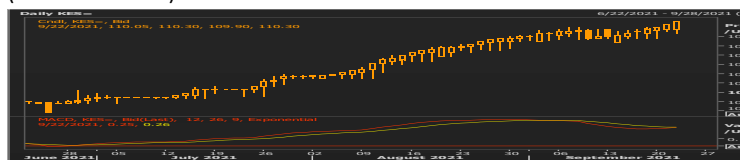
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.30	124.30	114.80	122.80
GBP/KES	143.35	156.35	143.05	152.85
EUR/KES	121.17	135.07	121.97	132.57
AED/KES	30.30	36.30	29.80	37.30

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.840%	4.820%	0.020
91-Day T-bill		7.758%	7.744%	0.014
182-Day T-Bill		8.901%	8.832%	0.069
364-Day T-Bill		9.881%	9.879%	0.002
Inflation		6.500%	5.560%	0.940
CBR RATE		7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.08614	0.03220	1.82310
12 months	2.69571	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar is up this morning in Asia while the euro gave up some of its recent gains but was still set for its best month in a year, with markets repositioning in anticipation of interest rate hikes in Europe and potentially slower U.S. rate hikes.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies was up 0.31% to 101.39 by 1:32 AM ET (5:32 AM GMT). The pair USD/CNY pair inched down 0.05% to 6.6580. Chinese data released earlier in the day showed that May 2022's manufacturing purchasing managers' index (PMI) was 49.6 and the non-manufacturing PMI was 47.8.

In the commodities space oil prices extended gains on Tuesday after the EU agreed to slash oil imports from Russia, fueling worries of a tighter market already strained for supply amid rising demand ahead of peak U.S. and European summer driving season.

Brent crude for July, which expires on Tuesday, rose \$1.13 to a fresh two-month top of \$122.80 a barrel at 0359 GMT. The more active August contract rose \$1.34 to \$118.94.

U.S. West Texas Intermediate (WTI) crude futures were trading at \$118.25 a barrel, up \$3.18 from Friday's close. There was no settlement on Monday due to a U.S. public holiday.

On the other hand, Gold is down this morning in Asia. A strengthening dollar and rising U.S. Treasury yields impacted demand for the U.S. currency-priced yellow metal, which is set for a second consecutive monthly loss for the first time since March 2021.

Gold futures edged up 0.17% to \$1,854.20 by 11:13 PM ET (3:13 AM GMT) and are down about 2.6% in the month to date, the most since September 2021. The dollar, which normally moves inversely to gold, was up on Tuesday.

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	1.0560	1.0963
GBP/USD	1.2442	1.2846
USD/AED	3.6426	3.6926
USD/JPY	125.12	130.17

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