



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 31ST OCTOBER 2022

DOMESTIC NEWS

Kenya Shilling eased on Friday in sluggish trade with muted hard currency supply or demand. Commercial banks quoted the shilling at 121.20/40 per dollar versus 121.15/35 close of trading on Thursday.

In other news, the stock market is staring at increased competition for capital from the local fixed-income market on rising interest rates on bonds as the government races to bridge the underperformance in its domestic borrowing programme for the fiscal year.

The Nairobi Securities Exchange (NSE) has already endured a bruising year in terms of foreign investor exits, recording net outflows of Sh19.3 billion in the nine months to September, up from Sh2.05 billion in the similar period a year earlier.

Economic difficulties locally have limited the capacity of local investors to compensate for the reduced foreign investor trading activity — meaning that share prices have trended downwards on lower demand. (Business daily)

Indicative Forex Rates

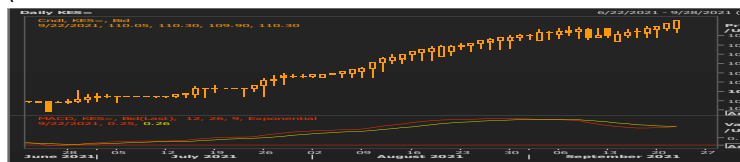
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.30	128.40	117.40	127.90
GBP/KES	136.76	156.26	135.96	150.76
EUR/KES	115.87	141.77	116.17	134.77
AED/KES	29.05	35.31	31.05	38.81

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.040%	5.020%	0.020
91-Day T-bill		9.127%	9.100%	0.027
182-Day T-Bill		9.678%	9.664%	0.014
364-Day T-Bill		9.965%	9.928%	0.037
Inflation		9.200%	8.530%	0.670
CBR RATE		7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	4.93086	0.03836	4.01990
12 months	5.36900	-	-

(Source: Reuters



INTERNATIONAL NEWS

The yen fell more than 1% against the dollar on Friday after the Bank of Japan bucked the trend among other major central banks and stuck with ultra-low interest rates, while the greenback firmed after U.S. data showed inflation was still running hot.

The greenback was under pressure this week ahead of the Federal Reserve's Nov. 1-2 policy setting meeting. The central bank is expected to raise rates by 75 basis points for the fourth-straight time before "pivoting" to a slower pace of rate hikes, which the market has begun pricing in.

The dollar index was on track for a weekly decline of around 1%.

Sterling rose against the dollar, adding to gains earlier in the week following the appointment of Rishi Sunak as Britain's third prime minister in two months. The pound was up 0.39% at \$1.1609, on track for a weekly rise of around 2.65%.

Oil prices fell on Monday following weaker-than-expected factory activity data out of China and on concerns its widening COVID-19 curbs will curtail demand.

Brent crude futures dropped 63 cents, or 0.7%, to \$95.14 a barrel by 0420 GMT, after slipping 1.2% on Friday.

U.S. West Texas Intermediate (WTI) crude was at \$87.43 a barrel, down 47 cents, or 0.5%, after settling down 1.3% on Friday.

Gold prices hovered below key support levels on Monday as caution kicked in ahead of a two-day Federal Reserve meeting, while copper prices sank as weak manufacturing data from China pointed to more woes for the world's largest copper importer.

Gold prices traded flat on Monday, but were still reeling from sharp losses on Friday, as U.S. Treasury yields rose past 4% on expectations that the Fed will hike rates by at least 75 basis points this week.

Spot gold fell 0.1% to \$1,641.17 an ounce, while gold futures were unchanged around \$1,644.10 an ounce.

In the commodities market, Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.00%	1.00%
1 Month	6.55%	1.75%
3 Months	7.00%	2.25%
6 Months	7.50%	3.00%
1 year	8.00%	3.75%

Indicative Cross Rates

	Bid	Offer
EUR/USD	0.9752	1.0209
GBP/USD	1.1395	1.1799
USD/AED	3.6630	3.6832
USD/JPY	145.25	149.75

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.