



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 3<sup>RD</sup> JUNE 2022

### DOMESTIC NEWS

Kenya shilling was steady on Thursday and traders said it was forecast to ease due to demand for dollars from general merchant importers. Commercial banks quoted the shillings at 116.65/85 per dollar compared to Tuesday close of 116.60/80.

In other local news in the market, foreign investors withdrew a net of Sh4.2 billion from the Nairobi Securities Exchange (NSE) last month, continuing the flight to western markets where interest rates have risen sharply in the last few months. Net sales by foreign investors have been on the rise for the past three months, a period in which the US has increased its benchmark rates in line with a rise in inflation.

In March, they sold a net of Sh1.45 billion, rising to Sh1.74 billion in April and Sh4.2 billion last month. Foreign investors normally trade almost exclusively on large blue-chip stocks at the NSE, with the selloff correlating to a fall in the share price of large firms such as Safaricom, BAT Kenya and Equity Group.

### Indicative Forex Rates

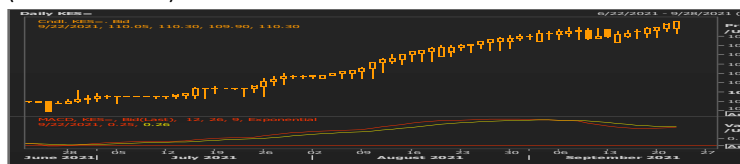
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	113.35	123.85	114.85	122.95
GBP/KES	142.85	150.85	142.55	151.25
EUR/KES	121.20	129.10	122.00	129.50
AED/KES	30.31	33.31	29.81	33.81

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.740%	4.760%	-0.020
91-Day T-bill		7.811%	7.758%	0.067
182-Day T-Bill		8.974%	8.901%	0.073
364-Day T-Bill		9.934%	9.881%	0.054
Inflation		7.080%	6.500%	0.580
CBR RATE		7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.10929	0.03261	1.87420
12 months	2.77543	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The U.S. dollar fell across the board on Thursday, ceding ground gained in recent sessions as firmer risk sentiment prompted investors to reach for higher-yielding currencies.

The U.S. dollar currency index, which tracks the greenback against six major currencies, was 0.8% lower at 101.78, on pace to snap a two-day streak of gains.

The Canadian dollar will gain ground over the coming year as high commodity prices bolster Canada's economic outlook and the Bank of Canada likely continues to raise interest rates aggressively, a Reuters poll showed.

The median forecast in the poll was for Canada's currency to strengthen 0.4% to 1.26 per U.S. dollar, or 79.37 U.S. cents, in three months' time, compared to 1.2568 in last month's forecast. It was then expected to climb to 1.23 in a year's time.

On the other hand, riskier currencies, including the Australian and the New Zealand dollars, advanced against their U.S. counterpart, rising 1.17% and 1.20%, respectively. The Canadian dollar rose about 0.6% against the greenback, a day after the Bank of Canada raised rates and opened the door to an even faster pace of interest rate hikes

Oil prices moved in a thin range on Friday as markets shrugged off the decision of OPEC+ to increase production and questioned whether the incremental output could make up for lost supply from Russia and meet China's growing demand amid easing COVID restrictions.

U.S. West Texas Intermediate (WTI) crude futures dropped 29 cents to \$116.58 a barrel at 0408 GMT, while Brent crude futures were down 15 cents at \$117.46 a barrel.

A decision on Thursday by the Organization of the Petroleum Exporting Countries and allies, together called OPEC+, to boost output by 648,000 barrels per day (bpd) in July and August, instead of by 432,000 bpd as previously agreed, was seen as hardly enough for a tight market.

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	1.0550	1.0945
GBP/USD	1.2370	1.2573
USD/AED	3.6526	3.6935
USD/JPY	126.12	131.17

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.