



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 3RD OCTOBER 2022

DOMESTIC NEWS

The Kenya shilling largely held its ground on Friday as dollar inflows from non-governmental organizations paying salaries and remittances from the diaspora met demand from the energy sector and merchandise importers. Commercial banks quoted the shillings at 120.75/95 per dollar compared to Thursday's close of 120.70/90.

In other news, consumers in Europe have cut spending on Kenyan flowers amid a cost-of-living spike in the western world that has forced households to drop essential purchases such as food and drinks, threatening thousands of jobs locally.

Inflation in the Eurozone — a group of 19 countries which use the euro as a common currency — rose to a fresh record of 10 percent in September from 9.2 percent in the prior month.

The runaway inflation is eroding the consumer purchasing power in those markets, the Kenya Flower Council says, with households and businesses cutting down on less essential buys such as cut flowers. (Business daily)

Indicative Forex Rates

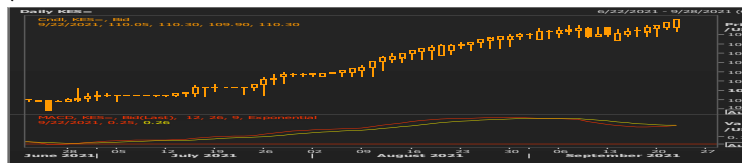
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.40	127.90	116.90	127.40
GBP/KES	130.56	150.06	129.76	144.56
EUR/KES	113.52	139.42	113.82	132.42
AED/KES	28.91	38.91	30.91	38.41

Money Market Rates	Current	Previous	Change
Interbank Rate	5.680%	5.500%	0.180
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	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	4.23200	0.03625	4.40470
12 months	4.787057	-	-

(Source: Reuters)



INTERNATIONAL NEWS

This morning in the global markets, most Asian currencies crept lower as concerns over worsening global economic growth kept the dollar close to a 20-year peak, while Australian and New Zealand currencies rose ahead of their respective interest rate decisions this week. The Australian dollar rose 0.6%, while the New Zealand dollar added 0.8%. Central banks in both countries are expected to hike interest rates this week, as they grapple with rising inflation levels. The Reserve Bank of Australia meets on Tuesday and is set to raise rates by at least 50 basis points (bps), while the Reserve Bank of New Zealand is expected to hike rates by a similar margin on Wednesday.

In the commodities markets, Oil prices jumped more than 3% in early Asian trade on Monday, as OPEC+ considers cutting output by more than 1 million barrels a day for its biggest reduction since the pandemic, in a bid to support the market.

Brent crude futures rebounded \$2.51, or 3%, to \$87.65 a barrel by 0206 GMT, after settling down 0.6% on Friday. U.S. West Texas Intermediate crude was also up 3%, or \$2.39, at \$81.88 a barrel, after the previous session's loss of 2.1%.

Gold prices on the other hand steadied above a major support level on Monday as growing risks of an economic recession spurred some safe haven demand for the yellow metal. Prices also recovered marginally from a bruising September, where they dropped 3%. Bullion prices marked their worst quarter since March 2021 with a 7.5% drop.

Spot gold rose 0.2% to \$1,663.99 an ounce, while gold futures were flat around \$1,672 an ounce by 20:31 ET (00:31 GMT). Prices of the yellow metal were steady even as U.S. data on Friday showed inflationary pressures remained elevated and were likely to invite more rate hike pain from the Federal Reserve.

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	0.9620	1.0040
GBP/USD	1.0920	1.1352
USD/AED	3.6630	3.6832
USD/JPY	142.50	146.50

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.