



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 4TH MARCH 2022

DOMESTIC NEWS

The Kenyan shilling was unchanged on Thursday though persistent importer dollar demand and thin inflows meant it was expected to weaken further, traders said.

At 0724 GMT, commercial banks quoted the shilling at 113.80/114.00 per dollar, the same level as Wednesday's close. The shilling touched a fresh all-time low of 113.90/114.10 during Wednesday's session.

Elsewhere on the local scene, Interest rates on short-term government debt securities continued to rise in the latest auction, signalling higher returns for investors in the fixed-income instruments.

The 91-day T-bill came with an average interest rate of 7.265 percent in the latest auction, up from 7.254 percent in the previous sale.

The 182-day paper's interest rate rose to 8.063 percent from 8.062 percent while that on the 364-day security jumped to 9.774 percent from 9.764 percent.

Indicative Forex Rates

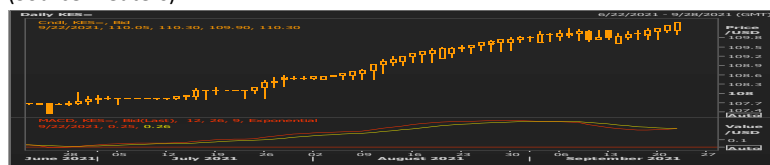
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.45	117.45	111.95	116.95
GBP/KES	148.04	156.04	147.74	156.44
EUR/KES	121.34	129.24	122.14	129.64
AED/KES	29.52	32.52	29.02	33.02

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.580%	5.810%	-0.230
91-Day T-bill		7.265%	7.254%	0.011
182-Day T-Bill		8.063%	8.062%	0.001
364-Day T-Bill		9.774%	9.764%	0.010
Inflation		5.080%	5.390%	-0.310
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	0.80471	0.04083	1.30810
12 months	1.28800	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The greenback ended the day higher against majority of its peers on Thursday due to geopolitical concerns as Ukraine and Russia commenced their second round of talks together with more hawkish comments from Federal Reserve Chair Jerome Powell.

Reuters reported Russia's war in Ukraine could hit the U.S. economy across a variety of channels from higher prices to dampened spending and investment, Federal Reserve Chair Jerome Powell said Thursday, though it is unclear what the ultimate impact will be. "What we know so far is that commodity prices have moved up significantly, energy prices in particular.

On the commodities markets having refreshed the weekly top before a few hours, gold buyers keep reins around \$1,940 during early Friday morning in Europe.

The yellow metal's latest run-up could be linked to Russia's shelling on Ukraine's nuclear power plant in Zaporizhzhia, one of the largest in Europe. Even if the radiation fears were turned down and the fire-safety team took control of the matters, Moscow's recent actions pour cold water on the Russia-Ukraine peace talks that agreed on the safe passage of Kyiv's civilians the previous day.

Elsewhere, Fed Chair Jerome Powell reiterated his support for a 0.25% rate hike, showed readiness for a 0.50% rate-lift in the March meeting, during the second-round testimony the previous day. While portraying the market implications from Powell's comments, CME's Fed Watch Tool marks around 89% odds favoring the same rate-lift in the next month's Fed meeting.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	KES		USD
2 Weeks	6.00%	0.25%	
1 Month	6.25%	0.50%	
3 Months	6.50%	0.75%	
6 Months	6.75%	1.00%	
1 year	7.00%	1.25%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1033	1.1414
GBP/USD	1.3114	1.3940
USD/AED	3.6433	3.6315
USD/JPY	110.26	117.78

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.