



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 4th OCTOBER 2022

DOMESTIC NEWS

The Kenya shilling was stable in thin trade on Monday, but its weakening trend was seen resuming in the coming days as foreign currency supply remained limited.

Commercial banks quoted the shillings at 120.65/85 per dollar same as Friday's close.

In other news, Sugar production in August dropped by 34 percent as more factories closed for maintenance amid scarcity of mature cane, subjecting consumers to higher prices of the commodity on shelves.

Total sugar production in August was 46,459 tonnes from the 70,278 tonnes recorded a month earlier, data from the Sugar Directorate shows.

The agency said that Kwale, Soin and OlePito factories had closed for maintenance in the review period while Nzoia and Chemelil, which were shut in May, resumed operations in August. (Business daily)

Indicative Forex Rates

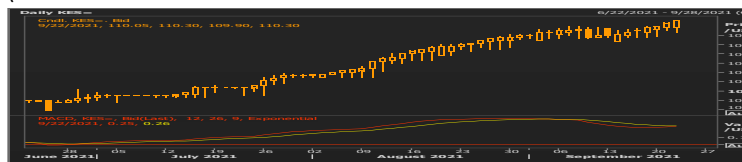
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.35	127.85	116.85	127.35
GBP/KES	133.23	152.73	132.43	147.23
EUR/KES	114.23	140.13	114.53	133.13
AED/KES	28.90	38.90	30.90	38.40

Money Market Rates	Current	Previous	Change
Interbank Rate	5.600%	5.680%	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

Sterling jumped against the dollar on Monday after Britain reversed a plan to cut the highest rate of income tax, and the dollar was also down against other major currencies.

The pound rose against the dollar after media reports of the U-turn to its highest level since Sept. 22, the day before British Finance Minister Kwasi Kwarteng roiled markets with a new "growth plan" to cut taxes and regulation, funded by vast government borrowing. Sterling was last up 1.4% at \$1.1320.

In Asia, most currencies took some relief from a weakening dollar and rose slightly on Tuesday, while the Australian dollar tumbled after the central bank raised rates by less than expected.

The Australian dollar fell 0.8% to \$0.6466 after the Reserve Bank of Australia raised interest rates by a lower-than-expected 25 basis points (bps). The central bank said it intends to maintain a balance between curbing inflation and ensuring that sharp hikes in interest rates do not dampen economic growth.

In the commodities market, Oil prices edged up on Tuesday as expectations that OPEC+ may agree to a large cut in crude output when it meets on Wednesday outweighed concerns about the global economy.

Brent crude futures rose 47 cents, or 0.5%, to \$89.33 per barrel by 0352 GMT after gaining more than 4% in the previous session.

U.S. crude futures rose by 31 cents, or 0.4%, to \$83.94 a barrel. The benchmark gained more than 5% in the previous session, its largest daily gain since May.

Gold and copper prices were muted on Tuesday after a strong rally on a weakening dollar, but gains in the red metal were dampened by more signs of weakening global manufacturing activity.

Spot gold fell 0.1% to \$1,698.65 an ounce, while gold futures rose 0.3% to \$1,707.35 an ounce by 20:35 ET (00:35 GMT). Both instruments rallied over 2% on Monday.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	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	0.9650	1.0065
GBP/USD	1.1140	1.1575
USD/AED	3.6630	3.6832
USD/JPY	142.53	146.75

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.