



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5TH MAY 2022

DOMESTIC NEWS

The Kenya shilling was steady on Wednesday and traders said they expected it to weaken due to increased importer dollar demand especially from fuel companies. Commercial banks quoted the shillings at 115.75/95 compared with last Thursday's close of 115.70/90.

In other local news on commodities BAT paid tobacco farmers it has contracted Sh1.2 billion for deliveries last year, representing a 14.8 percent decline the Sh1.4 billion payout they received in 2020. The Nairobi Securities Exchange (NSE) listed firm said Kenyan producers delivered 7.2 million kilogrammes of leaf in 2021 compared to 8.3 million kilogrammes the previous year. BAT provides farmers with upfront loans for inputs to the tune of 30 percent of the potential gross income, and defaulters are not contracted for the following year.

Indicative Forex Rates

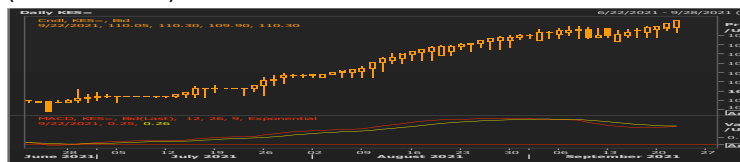
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	112.35	119.35	113.85	118.85
GBP/KES	140.41	149.41	141.11	148.81
EUR/KES	118.59	126.49	119.39	126.89
AED/KES	30.04	33.04	29.54	33.54

Money Market Rates	Current	Previous	Change
Interbank Rate	4.840%	4.890%	-0.050
91-Day T-bill	7.497%	7.448%	0.049
182-Day T-Bill	8.458%	8.373%	0.085
364-Day T-Bill	9.776%	9.755%	0.021
Inflation	6.500%	5.560%	0.940
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.98086	0.03015	1.76380
12 months	2.69486	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was down on Thursday morning in Asia, recording its sharpest fall in more than a month, as investors reacted to the U.S. Federal Reserve's latest policy decision that put paid to the possibility of super-size hikes.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged down 0.14% to 102.22 by 11:15 PM ET (3:15 AM GMT). The index fell from a five-year high after the Federal Open Market Committee hiked its interest rate to 1% in its policy decision handed down on Wednesday. The Fed hike was the largest since 2000, but Fed Chairman Jerome Powell said at the press conference afterward that the central banks are not currently considering 75-basis-point moves in the future.

In the commodities market, Oil prices extended gains on Thursday as a European Union proposal for new sanctions against Russia, including an embargo on crude in six months, offset concerns over Chinese demand. Brent crude futures had climbed 60 cents, or 0.5%, to \$110.74 a barrel by 0630 GMT, while U.S. West Texas Intermediate crude futures rose 40 cents, or 0.4%, to \$108.21 a barrel. Both benchmarks jumped more than \$1 a barrel earlier in the volatile session after gaining more than \$5 a barrel on Wednesday.

On the other hand, Gold was up on Thursday morning in Asia, after the U.S. Federal Reserve hiked interest rates in its latest effort to curb inflation. The Fed highlighted inflation as a risk to the economy while also ruling out larger hikes for the rest of 2022.

Gold futures jumped 1.76% to \$1,901.67 by 12:57 AM ET (4:57 AM GMT), after rising 1% earlier in the session. The dollar, which normally moves inversely to gold, inched up on Thursday, but remained near the one-month low hit during the previous session.

Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.55%	0.35%
1 Month	6.75%	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	1.0125	1.1450
GBP/USD	1.2005	1.3385
USD/AED	3.6145	3.6950
USD/JPY	124.50	132.50

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.