



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5th OCTOBER 2022

DOMESTIC NEWS

The Kenya shilling drifted weaker on Tuesday extending a long running slide as dollar demand from the energy sector and general goods importers continued to outpace foreign currency supply.

Commercial banks quoted the shillings at 120.75/95 per dollar compared to Mondays close of 120.65/85.

In other news, the ratio of non-performing loans to the total loan book in the banking sector shrunk to 14.2 percent in August from a high of 14.7 percent in June when the total bad loan portfolio hit Sh514.4 billion, reflecting heightened recovery efforts by lenders.

The Central Bank of Kenya (CBK) disclosed last week that the key sectors, which had been driving up bad loans through exposure to a few large clients had recorded improved repayments.

This suggests that the new tact by banks of renegotiating terms or seeking private settlement for defaulting accounts rather than chasing recovery through auctions, is paying off. (Business daily)

Indicative Forex Rates

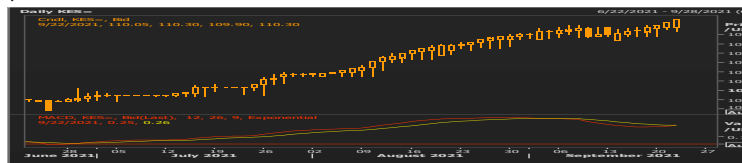
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	117.35	127.85	116.85	127.35
GBP/KES	134.20	153.70	133.40	148.20
EUR/KES	115.61	141.51	115.91	134.51
AED/KES	28.90	38.90	30.90	38.40

Money Market Rates	Current	Previous	Change
Interbank Rate	5.390%	5.600%	0.210
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	4.27286	0.03651	4.35950
12 months	4.80271	-	-

(Source: Reuters



INTERNATIONAL NEWS

The dollar suffered a bruising encounter Tuesday, but its swing lower may end abruptly in the coming days as Friday's U.S. monthly jobs data has the potential to drown out recent hopes of a Federal Reserve pivot.

The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 1.3% to 110.220.

Data on Friday is expected to show the U.S. economy created about 250,000 jobs last month, below the 315,000 seen in August, with average hourly earnings forecast to remain steady at about 0.3% and the unemployment rate at 3.8%.

In the European continent, the pound and U.K. government markets faltered on Tuesday after Chancellor of the Exchequer Kwasi Kwarteng insisted that he won't present a more detailed version of his spending plans for another six weeks, dashing hopes for more immediate clarity on a fiscal policy course that has spooked markets.

The pound had hit an all-time low against the dollar while government bond yields surged over half a percent after Kwarteng announced some £45 billion (\$48 billion) of tax cuts in his first act as Chancellor of the Exchequer under new Prime Minister Liz Truss. Oil prices moderated very slightly on Wednesday after gaining more than 3% in the previous session ahead of a meeting of OPEC+ producers to discuss a big cut in crude output.

Traders said a stronger dollar was the main reason for the slightly easier prices, as it reduced demand from buyers using other currencies.

Brent crude fell 22 cents, or 0.2%, to \$91.58 a barrel at 0427 GMT, after climbing \$2.94 in the previous session.

U.S. West Texas Intermediate (WTI) crude futures fell 29 cents, or 0.3%, to \$86.23 a barrel after gaining \$2.89 in the previous session.

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	0.9770	1.0150
GBP/USD	1.1244	1.1675
USD/AED	3.6630	3.6832
USD/JPY	1422.10	146.15

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.