



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH SEPTEMBER 2022

DOMESTIC NEWS

The Kenya shilling was unchanged on Monday but is expected to weaken due to increased demand by merchandise importers against tight inflows. Commercial banks quoted the shillings at 120.10/120.30 per dollar compared with Friday's close of 120.15/120.35.

In other news Investors gained Sh42.1 billion in paper wealth in the highest daily gain at the Nairobi Securities Exchange (NSE) in three weeks as markets welcomed the Supreme Court ruling upholding the win by Deputy President William Ruto as the fifth president of the Republic of Kenya.

Market capitalization jumped to Sh2.192 trillion from Friday's close of Sh2.15 trillion while Kenya's Eurobond yields trended lower from 15.1 per cent on Friday to 13.84 per cent on the 10-year 2024 bond.

In 2017, Kenya's stock market crashed following the Supreme Court's decision to annul the 2017 presidential election results and investors were worried that a similar verdict would hurt investments. (Business daily)

Indicative Forex Rates

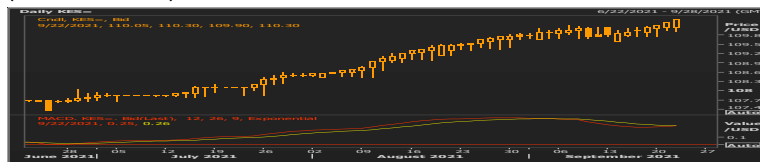
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.85	127.35	116.35	126.85
GBP/KES	135.42	154.92	134.62	149.42
EUR/KES	114.97	140.87	115.27	133.87
AED/KES	28.77	38.77	30.77	38.27

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.640%	4.590%	0.050
91-Day T-bill		8.860%	8.767%	0.093
182-Day T-Bill		9.576%	9.532%	0.044
364-Day T-Bill		9.876%	9.910%	0.034
Inflation		8.530%	8.320%	0.210
CBR RATE		7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.73657	0.04330	3.33720
12 months	4.22057	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The euro sank below \$0.99 to a new 20-year low on Monday after Russia's halt to gas supplies down its main pipeline to Europe heightened fears about a deepening energy crisis across the region.

The euro has been increasingly correlated with natural gas prices in recent months, with the former falling when prices of the energy source rise.

Other currencies vulnerable to spiralling energy prices also fell. In early trading, sterling dropped half a percent to a new 2-1/2 year low of \$1.1444, with traders also eyeing the announcement of a new British prime minister due around 1130 GMT.

The dollar index, which measures the greenback against a basket of currencies, briefly hit 110.27, its strongest since June 2002 as the euro tumbled. It later fell back and was last down 0.2% at 109.74.

Oil prices inched lower on Tuesday, paring gains from the previous session, as an OPEC+ deal to cut output by 100,000 barrels per day in October was seen as a largely symbolic move to bolster prices after the market's recent slide.

Brent crude futures had fallen 81 cents, or 0.9%, to \$94.93 a barrel by 0354 GMT.

U.S. West Texas Intermediate (WTI) crude futures inched up from Monday to \$88.57 a barrel, and were \$1.70 higher, or 2.0%, than Friday's close. There was no settlement on Monday, the U.S. Labor Day holiday.

Gold prices recovered sharply from a six-week low on Tuesday as a worsening energy crisis in Europe drove up safe haven demand, while copper extended gains on expectations of more Chinese stimulus measures.

Spot gold jumped 0.5% to \$1,718.95 an ounce, while gold futures were up 0.5% at \$1,730.0 by 21:03 ET (01:03 GMT). Both instruments were recovering from a six-week low hit earlier in the month.

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	0.9675	1.0109
GBP/USD	1.1260	1.1675
USD/AED	3.6530	3.6941
USD/JPY	138.45	142.25

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.