



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH JULY 2022

DOMESTIC NEWS

Kenya shilling was stable on Wednesday as dollar demand from fuel importers and manufacturers started to cool. Commercial banks quoted the shillings at 117.80/118.00 per dollar same as Tuesdays close.

In other local news in the market foreign investor outflows at the Nairobi Securities Exchange (NSE) surged more than four times to Sh12.6 billion in the half-year to June, underlining the impact of their exit in exacerbating the bear market. The foreigners had pulled out Sh2.9 billion worth of equity investments a year earlier. The latest outflows are the second largest after the Sh21.43 billion that was recorded in the first half of 2020, which had been attributed to Covid-19 and poor performance of some companies listed on the bourse. The monthly outflows hit a peak of Sh4.9 billion in June, capping the exits that have been inspired by the economic fallout from the Russia-Ukraine war and rising interest rates in the developed markets.

Indicative Forex Rates

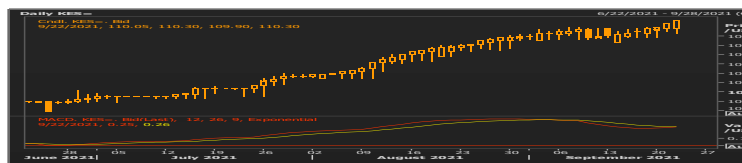
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	114.15	127.15	114.15	126.15
GBP/KES	137.30	154.80	136.50	151.30
EUR/KES	117.71	139.61	116.01	134.61
AED/KES	28.17	42.17	30.17	37.67

Money Market Rates	Current	Previous	Change
Interbank Rate	5.890%	5.820%	0.070
91-Day T-bill	8.097%	8.013%	0.084
182-Day T-Bill	9.196%	9.163%	0.033
364-Day T-Bill	9.985%	9.974%	0.011
Inflation	7.910%	7.080%	0.830
CBR RATE	7.500%	7.000%	0.500

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	2.96657	0.03713	2.30420
12 months	3.59229	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar is down this morning in Asia despite expectations of aggressive interest rate hikes that grew over the hawkish minutes of the U.S. Federal Reserve's June meeting. The U.S. Dollar Index that tracks the greenback against a basket of other currencies dropped 0.23% to 106.85 by 11:56 PM ET (0356 GMT). The USD/JPY pair edged down 0.13% to 135.76. The yen is down nearly 15% for the year and will likely remain weaker than 130 per dollar over the next six months given the Bank of Japan kept its monetary policy ultra-loose.

Euro on the other hand hovered near a two-decade low against the dollar on Thursday as Europe's energy woes cast a long shadow over the economic outlook. The common currency was about flat at \$1.01845 after sinking as low as \$1.01615 on Wednesday, for the first time since late 2002.

German Chancellor Olaf Scholz said the country must move faster in its green energy transition with Russia using energy as a political weapon amid the war in Ukraine.

In the commodities market, Oil was up on Thursday morning in Asia on supply concerns, after falling during the previous two sessions. Brent oil futures rose 0.51% to \$101.20 by 01:05 AM ET (0505 GMT) and crude oil WTI futures jumped 0.56% to \$99.11. Both benchmarks closed on Wednesday at their lowest since April 11. The declines follow a dramatic fall on Tuesday despite tight global supplies.

Gold on the other hand was up on Thursday morning in Asia as the U.S. dollar paused for breath after surging to 20-year highs. Gold futures were up 0.36% to \$1,742.80 by 12:34 AM ET (0434 GMT). The dollar, which normally moves inversely to gold, edged up on Wednesday morning.

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	1.0109	1.0415
GBP/USD	1.1724	1.2125
USD/AED	3.6527	3.6931
USD/JPY	133.85	138.05

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.