



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 7TH JUNE 2022

DOMESTIC NEWS

Kenya shilling was stable on Monday while a paucity of dollars amid heightened demand from importers and the manufacturing sector was maintaining pressure on the local unit. Commercial banks quoted the shillings at 116.80/117.00 per dollar slightly higher than Fridays close of 116.75/95.

In other local news in the market, Bonds turnover at the Nairobi Securities Exchange (NSE) fell by 18 percent in May as investors concentrated on purchasing new securities at the primary market, hitting stockbroker earnings at a time when equities trades remain subdued.

NSE data for May shows that investors traded Sh58.6 billion worth of bonds, down from Sh71.4 billion in April.

Stockbrokers earn a commission of 0.03 percent per bond trade. With equities turnover averaging below Sh10 billion per month this year, intermediaries who have strong bonds trading desks have been in a better position to weather the market downturn.

Indicative Forex Rates

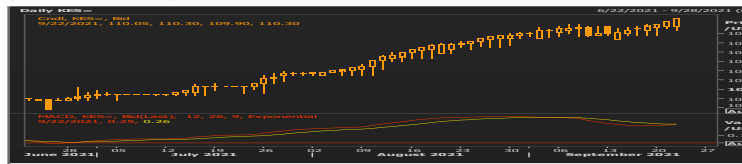
| | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 113.45 | 124.45 | 114.95 | 123.45 |
| GBP/KES | 141.98 | 154.98 | 141.68 | 151.48 |
| EUR/KES | 120.49 | 134.39 | 121.29 | 131.89 |
| AED/KES | 30.34 | 36.34 | 29.84 | 37.34 |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate | 4.640% | 4.670% | -0.030 |
| 91-Day T-bill | 7.811% | 7.758% | 0.067 |
| 182-Day T-Bill | 8.974% | 8.901% | 0.073 |
| 364-Day T-Bill | 9.934% | 9.881% | 0.054 |
| Inflation | 7.080% | 6.500% | 0.580 |
| CBR RATE | 7.500% | 7.000% | 0.500 |

Source; Central Bank of Kenya

| LIBOR Rates | USD | JPY | GBP |
|-------------|---------|---------|---------|
| 6 Months | 2.10929 | 0.03261 | 1.87420 |
| 12 months | 2.77543 | - | - |

(Source: Reuters)



INTERNATIONAL NEWS

The dollar is up this Tuesday morning in Asia over expectations that the U.S. Federal Reserve will deliver more interest rate hikes.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.16% to 102.6 by 12:28 PM ET (4:28 AM GMT).

The dollar pushed as high as 132.305 yen - a level not seen since April 2002 as the 10-year Treasury yield rose to 3.05% for the first time in nearly four weeks. As the yen's sharp decline dented consumers' confidence, Bank of Japan Governor Haruhiko Kuroda reiterated an unwavering commitment to "powerful" monetary stimulus on Monday.

Euro on the other hand slipped 0.09% to \$1.0686 ahead of the European Central Bank (ECB)'s policy decision on Thursday.

Investors have priced in several hikes from the ECB. With a strong U.S. jobs report last Friday signaling more interest hikes, investors now await the U.S. consumer price index (CPI) for clues on the interest rate hike path, which is due this Friday.

In the commodities market Oil is up on Tuesday morning in Asia over expectations of demand recovery in China and doubts about higher output targets from the Organization of the Petroleum Exporting Countries and allies (OPEC+).

Brent oil futures rose 0.62% to \$120.25 by 11:58 PM ET (3:58 AM GMT). Crude oil WTI futures jumped 0.71% to \$119.34, the benchmark hit a three-month high of \$120.99 on Monday.

On the other hand, Gold was up on Tuesday morning in Asia, but the moves were small. Expectations for more interest rate hikes in the U.S. and Europe grew.

Gold futures inched up 0.05% to \$1,844.75 by 11:15 PM ET (3:15 AM GMT). The dollar which normally moves inversely to gold, edged up on Tuesday morning.

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

| | Offer | |
|---------|--------|--------|
| | Bid | Offer |
| EUR/USD | 1.0476 | 1.0880 |
| GBP/USD | 1.2276 | 1.2683 |
| USD/AED | 3.6526 | 3.6935 |
| USD/JPY | 130.29 | 135.12 |

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.