



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 7<sup>TH</sup> MARCH 2022

### DOMESTIC NEWS

The Kenyan shilling was stable on Friday amid a slowdown in appetite for dollars from merchandise importers.

At 0715 GMT, commercial banks quoted the shilling at 113.85/114.05 per dollar, unchanged from Thursday's close.

Elsewhere on the local scene, Kenya's exports of tea, flowers, coffee and fruits to Russia have been derailed in the wake of sanctions imposed on Moscow by Western nations after its invasion of Ukraine, hurting local smallholder farmers.

The blockade of the exports, estimated at nearly Sh10 billion annually, came after major container and shipping lines temporarily suspended cargo shipments to and from Russia in response to the sanctions.

On commodities locally the government has stopped the planting and export of genetically modified flowers amid fears that such undertakings will negatively impact Kenya's access to the mainstay European market. Europe, which buys more than 60 percent of Kenya's roses, is yet to allow commercialisation of GMO crops in its territory.

### Indicative Forex Rates

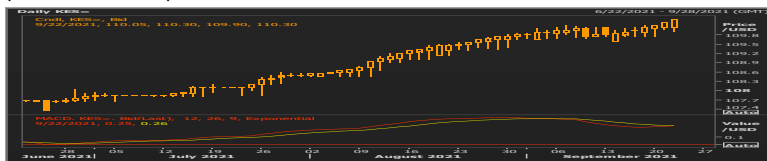
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.50	117.50	112.00	117.00
GBP/KES	146.62	154.62	146.32	155.02
EUR/KES	119.55	127.45	120.35	127.85
AED/KES	29.54	32.54	29.04	33.04

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.510%	5.580%	-0.070
91-Day T-bill		7.265%	7.254%	0.011
182-Day T-Bill		8.063%	8.062%	0.001
364-Day T-Bill		9.774%	9.764%	0.010
Inflation		5.080%	5.390%	-0.310
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	0.80471	0.04083	1.30810
12 months	1.28800	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The euro tumbled to a fresh 22-month low on the dollar while commodity currencies were swept to multi-month peaks as war in Ukraine sent oil prices spiking and stoked fears of a stagflationary shock that could hammer Europe.

The euro EUR=EBS fell as much as 1% to \$1.0822 in Asia trade, its lowest since May 2020. It is down more than 4% since Russia began what it calls a "special military operation" in Ukraine and is not far from testing its 2020 trough of \$1.0636.

In China the central parity rate of the Chinese currency renminbi, or the yuan, weakened 190 pips to 6.3478 against the U.S. dollar Monday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day.

The central parity rate of the yuan against the U.S. dollar is based on a weighted average of prices offered by market makers before the opening of the interbank market each business day.

The Australian dollar has been boosted by higher commodity prices; a lift in commodity volumes could pick up further to replace Russian supplies and global investors may need to re-weight portfolios.

In a nutshell Russia's war in Ukraine will almost certainly be the central driving event for markets and market volatility this coming week. But while that geopolitical stressor is expected to heavily impact prices over the short term, the extreme production and supply disruptions the conflict is likely to cause for oil and other energy, metal and agricultural commodities—some of which have vaulted to their highest levels in years—will doubtless have a longer term effect on the economy, both global and domestic.

### Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.00%	0.25%
1 Month	6.25%	0.50%
3 Months	6.50%	0.75%
6 Months	6.75%	1.00%
1 year	7.00%	1.25%

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0572	1.1322
GBP/USD	1.3123	1.3939
USD/AED	3.6430	3.6320
USD/JPY	111.25	117.79

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.