



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 8TH APRIL 2022

DOMESTIC NEWS

A choppy Thursday session saw the home unit sink further against the greenback. Foreign currency demand continued to spin the USD/KES currency pair in favour of the greenback. Tenacious greenback appetite from various sectors of the economy hampered the local unit's quest for dominance. In the new day, markets remain focused on flows to determine direction for the USD/KES pair, with players inclined to a narrative of a weaker shilling amid limited foreign currency inflows. By close of day, the local unit stood at 115.25/115.45 as compared to Wednesday's close of 115.20/115.40.

Meanwhile, The Central Bank of Kenya (CBK) accepted KSh 33.1 billion at the April Treasury Bonds tap sale. It received bids worth KSh 34 billion worth of KSh 40 billion offered at the auction, representing a performance rate of 85.11%. These amounts are intended for use by National Treasury for budgetary support. CBK auction results indicate that accepted amounts comprised KSh 31.1 billion in competitive bids and KSh 2 billion in non-competitive bids. The CBK offered successful bidders a coupon rate was 11.766%. The next April T-Bonds tap sale is for the 15-year Treasury Bonds, where the Government's fiscal agent intends to raise KSh 30 billion. The sale period for this tenor began on 24th March 2022 and ends on 19th April 2022, and an auction is set for 20th April 2022.

Indicative Forex Rates

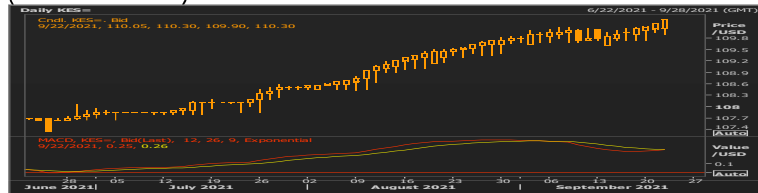
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	111.85	118.85	113.35	118.35
GBP/KES	146.70	154.70	146.40	155.10
EUR/KES	120.86	128.76	121.66	129.16
AED/KES	29.90	32.90	29.40	33.40

Money Market Rates	Current	Previous	Change
Interbank Rate	4.756%	4.660%	0.096
91-Day T-bill	7.377%	7.302%	0.075
182-Day T-Bill	8.219%	8.164%	0.055
364-Day T-Bill	9.743%	9.752%	-0.009
Inflation	5.560%	5.080%	0.480
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya

SOFR, SONIA AND EONIA Rates	USD	EUR	GBP
3 Months	0.98286	-0.47000	0.19470
6 months	1.45114	-0.39200	0.69080

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index extended a relentless upward move on Friday to 99.904, supported by the prospect of a more aggressive pace of Federal Reserve interest rates hikes. The index is up 1.3% this week, which would be its biggest advance in one month, backed by hawkish remarks from several Federal Reserve policy makers who are calling for a faster pace of interest rate increases to curb rapid inflation.

The euro with a modicum of support around the 1.09 handle on Friday, sustained pressure from European energy prices and calls for further sanctions on Russian energy exports to the eurozone coupled with the fact that The European Central Bank is also grappling with inflation. Separately, Uncertainty in the French presidential election that begins on Apr. 10 is also hitting the euro. Incumbent Emmanuel Macron is currently ahead in the polls, but far-right candidate Marine Le Pen is also making gains. It is worth noting that expectations of an escalation in the Ukraine crisis is on the cards after Russia ceased to be a member of the United Nations Human Rights Council. The members of the UN Human Rights Council voted in favor of stripping Russia from the members' list after the Russian rebels committed war crimes in Ukraine. As world nations are isolating Russia from major communities, the Ukraine crisis may escalate further.

Elsewhere, global oil prices drifted lower on Friday to \$100.03 per barrel and were set to drop around 3% for the week as consuming countries' planned release of 240 million barrels from emergency stocks offset some concerns over reduced supplies from Russia due to western sanctions. Investors are now assessing the fundamentals in the oil market amid uncertainties over slowing demand in China, where cities have been locked down due to the latest wave of coronavirus infections, and the loss of supplies from Russia.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000	
	KES		USD	
2 Weeks	6.55%		0.35%	
1 Month	6.75%		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	1.0770		1.1160
GBP/USD	1.2910		1.3150	
USD/AED	3.6645		3.6890	
USD/JPY	112.40		117.90	

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.