



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 8TH MARCH 2022

DOMESTIC NEWS

The Kenyan shilling weakened on Monday due to a pick-up in dollar demand from commodity traders and companies in the energy sector.

At 0905 GMT, commercial banks quoted the shilling at 113.95/114.15 per dollar, compared with 113.85/114.05 at Friday's close.

Elsewhere on the local scene, Kenya's fuel subsidy that has kept pump prices unchanged for four months in a row has been crippled in the wake of the Russia-Ukraine war that pushed crude oil prices to a 14-year high.

Government sources say the Treasury will struggle to pay oil marketers more than Sh25 billion over the next two months to keep pump prices unchanged despite a jump in the cost of shipping the commodity.

Kenya's official forex reserves fell by \$217 million (Sh24.7 billion) in the last week of February on external loan repayments to the Trade and Development Bank (TDB) and creditors of the country's second Eurobond.

Indicative Forex Rates

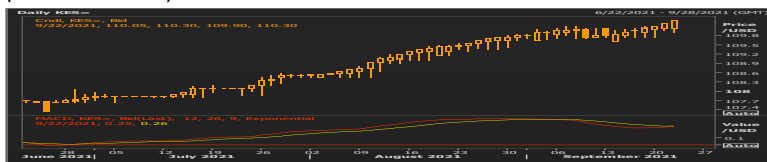
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.55	117.55	112.05	117.05
GBP/KES	145.72	153.72	145.42	154.12
EUR/KES	119.60	127.50	120.40	127.90
AED/KES	29.55	32.55	29.05	33.05

Money Rates	Market	Current	Previous	Change
Interbank Rate		5.710%	5.510%	0.200
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	0.93943	0.03836	1.36510
12 months	1.35286	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The greenback rose against majority of its peers on Monday on safe-haven buying due to continued uncertainty over Russia-Ukraine conflict leading to a surge in oil price which could dampen the global economic recovery. (Dow closed at 32,817, down by 797 points or 2.37%)

The euro was pinned near a 22-month low on Tuesday as war in Ukraine darkens Europe's economic outlook, while commodity currencies took a breather in their weeks-long rally.

The euro attempted a bounce in Asia, after six straight sessions of selling, but at \$1.0859, it was not carried terribly far from Monday's trough of \$1.0806. The common currency is down 4% on the dollar since Russia launched what it calls a "special military operation" in Ukraine where fighting is showing no signs of abating.

In the commodities market, Gold prices slid from the key \$2,000-per-ounce mark on March 8 in international markets as the US dollar held firm near a multi-month peak, while palladium eased from record highs after investors took a breather as Russia-Ukraine talks hardly advanced.

With so many uncertainties bearing down on the global economy, you'd hardly guess that central banks would be adding to the gloom with the prospect of higher interest rates. But global interest rate rearmament seems like a done deal with the US Federal Reserve set to press ahead with higher rates from as early as next week's Federal Open Markets Committee meeting.

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	1.0570	1.1355
GBP/USD	1.3123	1.3940
USD/AED	3.6431	3.6323
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.