



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

## TREASURY MARKET UPDATE 8<sup>TH</sup> NOVEMBER 2022

### DOMESTIC NEWS

Kenya Shilling was unmoved in a quiet session on Monday with demand and supply evenly matched. Commercial banks quoted the shilling at 121.45/65 per dollar compared with Thursday's closing rate of 121.45/65. In the local Short-term interest rates on risk-free government securities have risen to 10 percent, piling pressure on returns for various assets including bank loans.

Investors secured a near four-year high rate of 10.109 percent in the latest auction of the 364-day Treasury Bill, a level last seen in January 2019 when the paper was sold at 10 percent.

The increase in short-term interest rates is enhancing returns for cash-flush firms and households while raising costs for borrowers including the government and businesses.

Rising inflation and the weakening of the shilling are the major factors behind the jump in interest rates, with investors responding to the challenges by demanding higher returns on their cash holdings. (Business daily)

#### Indicative Forex Rates

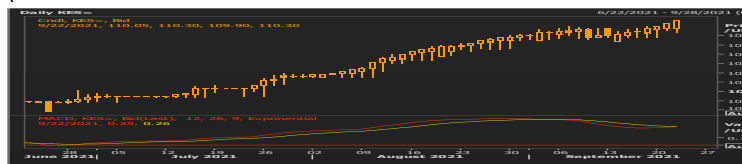
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	118.20	129.20	117.70	129.90
GBP/KES	135.82	156.82	135.02	160.82
EUR/KES	116.84	145.74	117.14	151.74
AED/KES	29.13	39.13	31.13	38.63

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.390%	4.610%	0.030
91-Day T-bill		9.139%	9.127%	0.012
182-Day T-Bill		9.691%	9.678%	0.013
364-Day T-Bill		10.109%	9.965%	0.144
Inflation		9.600%	9.200%	0.040
CBR RATE		7.500%	8.250%	0.750

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	5.01129	0.04083	4.03950
12 months	5.66643	-	-

(Source: Reuters



### INTERNATIONAL NEWS

Euro and sterling rose against the safe-haven dollar on Monday, supported by a risk-on sentiment across markets as investors digested positive euro zone data and looked to cash in on the strength of the U.S. currency.

A survey showed on Monday that investor morale in the euro zone improved in November, the first time it rose in three months, reflecting hopes that recent warmer temperatures and falling energy prices will prevent gas rationing on the continent this winter. The euro was up 0.69% to \$1.0029, its highest level since Oct. 27, while sterling was last trading at \$1.1534, up 1.40% on the day.

Against a basket of currencies, the dollar index fell 0.91% to 110.070.

In the commodities market, Oil prices fell on Tuesday as recession concerns and worsening COVID-19 outbreaks in China sparked fears of lower fuel demand, outweighing supply worries.

Brent crude fell 31 cents, or 0.3%, to \$97.61 a barrel by 0434 GMT, while U.S. West Texas Intermediate (WTI) crude fell 36 cents, or 0.4%, to \$91.43 a barrel.

Both benchmarks hit their highest since August on Monday amid reports that leaders in China, the world's top crude importer, were weighing an exit from the country's strict COVID-19 restrictions.

The United States wants businesses to pay countries to stop burning coal via carbon markets, in a proposal it will announce at the United Nations climate conference this week, people familiar with the matter said.

The initiative, expected to launch on Wednesday at the COP27 Summit in Egypt, proposes that companies buy carbon credits and the proceeds be used to fund renewable energy projects in countries seeking to replace fossil fuels such as coal, the people said.

#### In the commodities market, Indicative Profit Rates on Deposits

	Amounts > 10 million	
	KES	USD
2 Weeks	6.00%	1.00%
1 Month	6.55%	1.75%
3 Months	7.00%	2.25%
6 Months	7.50%	3.00%
1 year	8.00%	3.75%

#### Indicative Cross Rates

	Bid	Offer
EUR/USD	0.9798	1.0275
GBP/USD	1.1245	1.1685
USD/AED	3.6630	3.6832
USD/JPY	144.25	148.75

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.