



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

## TREASURY MARKET UPDATE 9TH SEPTEMBER 2022

### DOMESTIC NEWS

The Kenya shilling was a little changed on Thursday but is expected to weaken due to increasing dollar demand from energy and manufacturing sectors. Commercial banks quoted the shillings at 120.20/120.40 per dollar same as Wednesday's close.

In other news, Wages in the private sector have risen for the sixth month in a row as workers demand higher pay to help fight the soaring cost of living, findings of a monthly survey suggests.

Companies in key sectors such as agriculture, manufacturing, construction as well as wholesale and retail— which largely rely on casual labourers — have reported higher pay demands between March and August.

The pay raises have, however, been marginal at a time when firms largely hired to “boost client services and complete work on time” amid falling sales, according to Stanbic Bank Kenya’s Purchasing Managers Index (PMI). (Business daily)

### Indicative Forex Rates

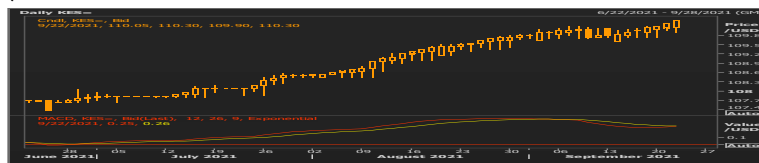
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	116.90	127.40	116.40	126.90
GBP/KES	135.54	155.04	134.74	149.54
EUR/KES	116.29	142.19	116.59	135.19
AED/KES	28.78	38.78	30.78	38.28

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.160%	4.300%	-0.140
91-Day T-bill		8.910%	8.860%	0.050
182-Day T-Bill		9.599%	9.576%	0.023
364-Day T-Bill		9.915%	9.876%	0.039
Inflation		8.530%	8.320%	0.210
CBR RATE		7.500%	7.500%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	3.75214	0.04330	3.39920
12 months	4.18886	-	-

(Source: Reuters)



### INTERNATIONAL NEWS

The dollar gained against the yen on Thursday, climbing in nine of the last 10 sessions, after Federal Reserve Chair Jerome Powell reiterated that the U.S. central bank will continue to raise interest rates in order to tame surging inflation and warned against prematurely loosening monetary policy.

For the last several months, dollar-yen has been the currency pair most sensitive to U.S. rate expectations.

In afternoon trading, the dollar rose 0.1% to 143.96 yen, On Tuesday, it surged to a 24-year peak of 144.99 yen.

The dollar index was flat at 109.63, after soaring to its strongest level since June 2002 the day before.

Across the Atlantic, the European Central Bank raised interest rates by a record 75 basis points (bps), taking the deposit rate above 0% for the first time since 2012. The euro initially went above parity against the dollar but has since weakened amid Powell's comments.

In the commodities markets, Oil prices rose on Friday as investors considered Russia's threat to halt oil and gas exports to some buyers, but crude was set for a second straight weekly decline as central banks' aggressive rate hikes and China's COVID-19 curbs weighed on demand.

Brent crude futures rose 27 cents, or 0.3%, to \$89.42 a barrel by 0330 GMT. U.S. West Texas Intermediate (WTI) crude futures climbed 15 cents, or 0.2%, to \$83.69.

Gold prices traded above weekly lows on Friday as investors digested more hawkish comments from the Federal Reserve, while copper eyed a large weekly gain on supply concerns stemming from a strike in Chile's Escondida mine.

Copper futures rallied nearly 4% on Thursday after unionized workers at Chile's Escondida, the world's largest copper mine, voted to go on strike over safety concerns. The gains put copper on course for a weekly gain of more than 4%.

### Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	KES	USD	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

	Bid	Offer
EUR/USD	0.9750	1.0225
GBP/USD	1.1285	1.1685
USD/AED	3.6532	3.6945
USD/JPY	140.50	145.50

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.