



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD NOVEMBER 2022

DOMESTIC NEWS

Kenya shilling was stable on Tuesday and traders forecast it to ease due to increased demand for dollars from manufacturing and oil retailing companies. Commercial banks quoted the shilling at 121.15/122.35 to the dollar compared with Mondays close of 122.10/30.

In other news in the banking industry the size of defaulted loans in September dropped by the largest monthly margin in 15 years on increased property auctions, repayment of non-performing debt and bad credit write-offs. Central Bank of Kenya (CBK) data shows that non-performing loans shrank by Sh13.2 billion between August and September to Sh491.8 billion, retreating below the half-a-trillion mark that had been crossed for the first time in June due to large corporate defaults.

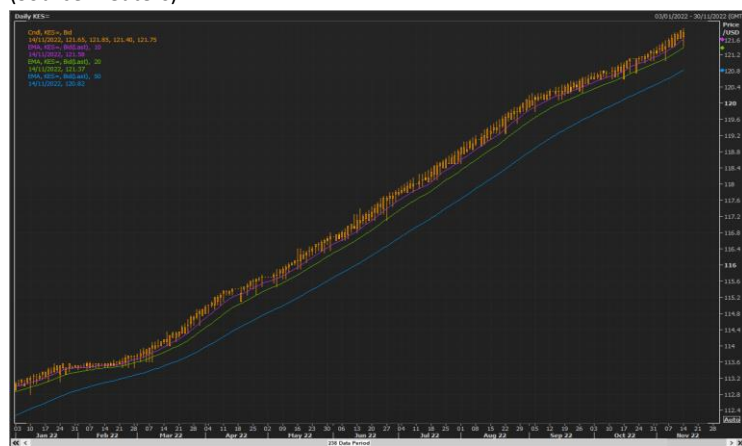
This is the biggest monthly drop in defaulted loans since June 2007 when it fell by Sh28.3 billion after the restructuring of bad loans affecting State-owned lenders. (Business daily)

Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	118.75	129.25	118.25	128.75
GBP/KES	141.17	160.67	140.37	155.17
EUR/KES	121.20	147.10	121.50	140.10
AED/KES	29.28	39.28	31.28	38.78

Amounts > 10 million		Amounts >100,000
KES		USD
2 Weeks	7.00%	1.25%
1 Month	7.00%	2.00%
3 Months	7.50%	2.50%
6 Months	8.00%	3.25%
1 year	8.50%	4.00%

(Source: Reuters)



INTERNATIONAL NEWS

The U.S. dollar was steady on Wednesday as investors tempered their risk appetites ahead of the release of minutes of the Federal Reserve's policy meeting that could offer clues on the outlook for inflation and interest rates. The Fed on Wednesday will release the minutes from its most recent meeting, with investors looking for any sign of discussions around moderating the pace of interest rate hikes. The dollar index, which measures the greenback against six major peers, was last up 0.056% at 107.130, having slipped 0.65% overnight. The euro on the other hand was up 0.03% at \$1.0305, after gaining 0.6% overnight, with sterling last trading at \$1.1888, up 0.04% on the day. Cryptocurrencies remained volatile, with bitcoin swinging between losses and gains. It was last down 0.21% at \$16,163.

In the commodities market, Oil prices rose further on Wednesday after data indicated that U.S. crude inventories shrank substantially in the past week, although the introduction of new anti-COVID curbs in major Chinese cities put a lid on gains. Data from the American Petroleum Institute showed that U.S. crude stockpiles fell a bigger-than-expected 4.8 million barrels in the past week, likely heralding a similar decline in official government figures due later today. Focus will also be on the pace of the U.S. government's drawdown from the Strategic Petroleum Reserve, which is at an over 38-year low. Brent oil futures rose 0.1% to \$88.44 a barrel, while West Texas Intermediate crude futures rose 0.2% to \$81.08 a barrel by 21:19 ET (02:19 GMT). Both contracts rose on Tuesday after Saudi Arabia denied reports that the Organization of Petroleum Exporting Countries (OPEC) and allies were considering a supply increase.

Gold prices steadied on Wednesday, while copper extended strong gains as risk-driven assets rallied on expectations that the Federal Reserve will hike interest rates at a slower pace in the near-term, which also trimmed dollar gains. Spot gold edged up to \$1,740.66 an ounce, while gold futures were steady at \$1,741.25 an ounce by 18:53 ET (23:53 GMT). (Reuters)

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0054	1.0469
GBP/USD	1.1650	1.2055
USD/ZAR	15.3125	19.3195
USD/AED	3.6630	3.6832
USD/JPY	139.45	143.55

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.