



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

## TREASURY MARKET UPDATE 03RD JUNE 2021

### DOMESTIC NEWS

The Kenya shilling was unchanged on Wednesday in a subdued but well-balanced trade. Market remains optimistic that the country's economy would bounce back in the next couple of months boosted by COVID-19 recovery measures.

However, the possibility of a fourth wave in the country with the probability of new variants could lead to more lockdowns and dampen investor confidence.

By close of the day, the local unit stood at 107.65/85 same as the day's opening.

Looking ahead in the month, the government is finalizing details of the upcoming \$1 billion Eurobond issue and expects to have sold it by the end of June. Kenya's return to the Eurobond market is against its participation in the Debt Service Suspension Initiative (DSSI), whose terms included a break from external commercial financing.

Elsewhere, a CBK survey has found that high raw material and fuel prices and low demand for goods as the biggest impediments to growth and expansion of firms in the next 12 months. The ongoing effects of the Covid-19 pandemic, heavy taxation and the high cost of finance remains a major concern.

### Indicative Forex Rates

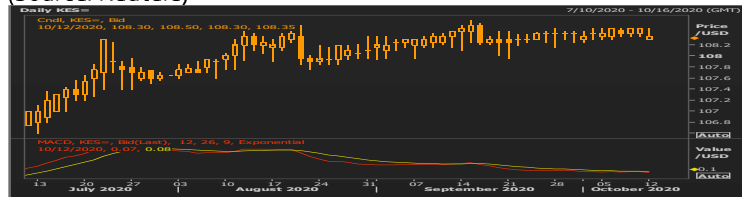
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.25	111.25	104.75	110.75
GBP/KES	148.51	156.51	149.01	156.01
EUR/KES	127.94	134.94	128.44	134.44
AED/KES	27.33	31.33	27.33	31.33

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7324%	4.7649%	0.033
91-Day T-bill	7.139%	7.155%	0.016
182-Day T-Bill	7.865%	7.953%	0.088
364-Day T-Bill	9.156%	9.284%	0.128
Inflation	5.870%	5.7600%	0.110
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.17488	-0.52314	0.10600
12 months	0.24688	-0.49043	0.16413

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar was wavering above major support levels on Thursday, as markets await a batch of U.S. economic data that could set the tone at central bank meetings later this month. Investors have bet on the dollar falling as the world recovers from the COVID-19 pandemic, but they have lately grown nervous over whether a surprisingly strong U.S. economic rebound poses a threat to a key assumption that interest rates stay low.

While manufacturing activity spiked due to pent-up demand amid the reopening from COVID-19 shutdowns, labor shortages hampered the sector's growth potential.

The U.S. dollar index, which measures the greenback against six rival currencies, was up 0.001% at 89.907 where it seems to have found strong support in recent weeks.

Euro is trading at \$1.2200 after unwinding a small rally as the European Central Bank meets next week and markets are focused on whether policymakers signal any slowdown in their bond buying programme. ECB maintains that while inflation may temporarily rise above its target this year, weak wage growth will likely keep it in check for years to come.

Sterling rose 0.15% to \$1.4150, after easing off a three-year high of \$1.4250 on the expectation of stage four reopening of the economy on June 21, despite the threat of new corona strain, first detected in India. The UK economy would be the fastest growing economy among developed economies.

Elsewhere, oil was up 0.6% with Brent at \$71.78 a barrel as investors expect that a surge in fuel demand in the U.S. and China, the top two oil importers globally, as well as the U.K. which is lifting its COVID-19 lockdowns will exceed supply later in 2021.

Source: Reuters

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.40%	0.05%
1 Month	6.65%	0.75%
3 Months	6.90%	1.00%
6 Months	7.15%	1.25%
1 year	7.90%	1.50%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.2050	1.2350
GBP/USD	1.4030	1.4330
USD/AED	3.6610	3.6865
USD/JPY	108.50	111.50

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