



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 04TH MARCH 2021

DOMESTIC NEWS

The Kenyan shilling traded stronger on Wednesday supported by hard currency inflows from export earnings especially our tea, the world's largest exporter of the black variety of the leaves, and diaspora remittances.

Authorities are racing against time in a quest to make Kenya an international financial hub and thus increase the country's capacity to attract multi-million-dollar foreign inflows.

The arrival of just over a million doses of the AstraZeneca COVID-19 vaccine yesterday in its first batch under a global facility aimed at ensuring equitable distribution could offer the much needed hope for economic recovery and markets will be looking for cues on the direction of the currency.

By close of the day, the local unit stood at 109.55/75, compared to the day's opening of 109.70/90.

Elsewhere, oil was up 0.48% with Brent at \$64.38 per barrel rising for a second consecutive session over the prospect of the Organization of the Petroleum Exporting Countries and allies (OPEC+) deciding against increasing output at its meeting later in the day. A drop in U.S. crude oil inventories also gave the black liquid a boost.

Indicative Forex Rates

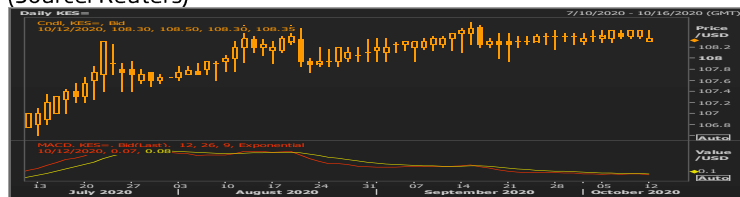
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.20	113.20	107.20	112.20
GBP/KES	149.08	157.08	149.58	156.58
EUR/KES	128.75	135.75	129.25	135.25
AED/KES	27.87	31.87	27.87	31.87

Money Market Rates	Current	Previous	Change
Interbank Rate	4.9489%	4.717%	0.232
91-Day T-bill	6.931%	6.911%	0.020
182-Day T-Bill	7.722%	7.684%	0.038
364-Day T-Bill	9.014%	8.931%	0.083
Inflation	5.780%	5.690%	0.090
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.20675	-0.51643	0.09250
12 months	0.27900	-0.48943	0.15025

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar shot up in early as U.S. Treasuries recorded orderly gains and boosted the dollar with the U.S. Federal Reserve Chairman Jerome Powell due to give a speech later in the day as investors will be closely watching for any signs of concern over the recent Treasuries selloff and for any changes in his assessment of the economy ahead of the Fed's next meeting ending Mar. 17.

Concerns that the unprecedented government spending to support the global economy through COVID-19 could drive inflation up resulted in a massive selloff in Treasuries since the beginning of the year.

The selloff culminated in 10-year yields hitting their highest levels of 1.4894% as calm continued to return to the market and boosted investor sentiment.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.03% to 91.032.

EUR traded lower at \$1.2055, nursing a 0.24% loss from the previous session after the USD and US yields firmed.

The Pound is in tranquil waters and remains unchanged for a third straight day at \$1.3955 due to the sharp jump in US Treasury bonds that boosted the US dollar. The UK services sector has been hard-hit by the Covid-19 pandemic, and health restrictions and the national lockdown have resulted in contraction in Services PMI. The lockdown has resulted in pent-up consumer demand, and with the government slowly opening up the UK economy, we can expect the services sector to rise into expansion territory later in the year.

Source: Reuters

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	0.05%
1 Month	6.25%	0.75%
3 Months	6.50%	1.00%
6 Months	6.75%	1.25%
1 year	7.00%	1.50%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1905	1.2205
GBP/USD	1.3810	1.4110
USD/AED	3.6605	3.6865
USD/JPY	105.70	108.70

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