



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 07TH MAY 2021

DOMESTIC NEWS

The Kenya shilling firmed on Thursday to a three-week high, helped by dollar inflows from foreign investors buying a government bond, amid muted demand from importers.

The Treasury raised KES 20.29 billion from its May bond auction for the reopened 15-year and new 25-year below its target, as the government rejected expensive bids. Interest rates are on the rise due to fiscal financing pressure caused by falling tax revenues, and the government is expected to increase its domestic borrowing to cover the expanded expenditure.

By close of the day, the local unit stood at 106.70/90, compared to the previous day's closing of 106.90/107.10.

Elsewhere, the value of investor wealth on the Nairobi Securities Exchange hit a 34-month high of KES 2.62 trillion yesterday, lifted by a rally of the share prices of **Safaricom**(on prospects of getting a license to operate in Ethiopia sector's), **East African Breweries Limited**(following the lifting of month-long curbs on travel and longer night curfews in Nairobi and four surrounding counties) and **Banks**(due to combined quarter one pre-tax profits hike to 19.5%).

Indicative Forex Rates

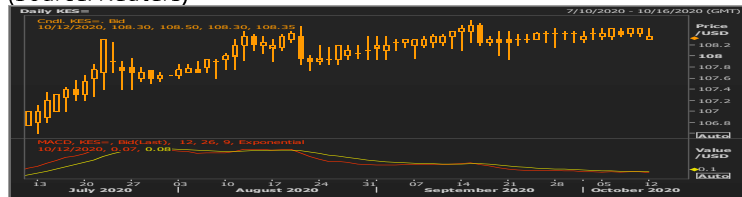
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.25	110.25	103.75	109.75
GBP/KES	144.44	152.44	144.94	151.94
EUR/KES	125.31	132.31	125.81	131.81
AED/KES	27.06	31.06	27.06	31.06

Money Market Rates	Current	Previous	Change
Interbank Rate	4.0665%	4.5382%	0.472
91-Day T-bill	7.152%	7.139%	0.013
182-Day T-Bill	7.990%	7.989%	0.001
364-Day T-Bill	9.424%	9.474%	0.050
Inflation	5.760%	5.900%	0.140
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya

LIBOR Rates	USD	EUR	GBP
6 Months	0.20063	-0.52343	0.11213
12 months	0.27900	-0.49614	0.16163

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar stayed under modest pressure in early trade ahead of a key U.S. jobs report that could cement expectations of a strong and solid economic recovery from the pandemic and increase investor appetite for stocks, higher-yielding currencies, and commodities.

Signs of strong job recovery are something of a double-edged sword for markets. They could boost risk appetite and weigh on the safe haven dollar. But if they stoke inflation worries and lead to expectations of reduction in the Federal Reserve's stimulus, it may boost U.S. bond yields and ultimately the dollar.

The dollar index, which measures the dollar's value against a basket of other major currencies stood near its lowest level this week, at 90.867.

Euro gained 0.5% to trade at \$1.2065 helped by stronger-than-forecast Euro zone retail sales pointing to pent-up consumer demand as pandemic lockdowns ease as well as a bigger than expected jump in German industrial orders, in a sign that manufacturers will support a recovery once supply and delivery bottlenecks are overcome.

British Pound traded at \$1.3905, unable to hold on to gains made in the previous session after the Bank of England left its benchmark rate unchanged at 0.1% but cut its weekly bond purchases to £3.4 billion from £4.4 billion in order to meet its unchanged £875 billion year-end target. The decision was largely expected and the BOE stressed it was not reversing its stimulus.

Sterling is capped for now by uncertainties over a Scottish election whose votes count is underway that could trigger a showdown with British PM Boris Johnson over its independence movement.

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	1.1925	1.2225
GBP/USD	1.3775	1.4075
USD/AED	3.6610	3.6865
USD/JPY	108.00	111.00

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