



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 08TH MARCH 2021

DOMESTIC NEWS

The Kenyan shilling was stable against the dollar on Friday, mainly due to balanced supply and demand counters. However, markets remain anxious due to conflicting indicators such as the unexpected spike in covid-19 infection cases in the country amidst the arrival of the vaccines last week.

By close of the day, the local unit stood at 109.55/75, same as the day's opening.

The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,359 million (4.52 months of import cover) as at March 04 weighed down by external debt repayment obligations amid reduced inflows from the tourism sector. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover.

International oil declined during the week largely due to inventory buildup. Murban oil price (Kenya's benchmark) decreased to \$63.32 per barrel on March 04 from \$65.58 per barrel on February 25.

Elsewhere, Standard and Poor has downgraded Kenya's sovereign credit rating to 'B' from 'B+' despite a deal with the International Monetary Fund and backed by World Bank support, but revised the outlook to 'stable' from 'negative' on expectations of economic recovery & supportive donor facilities.

Indicative Forex Rates

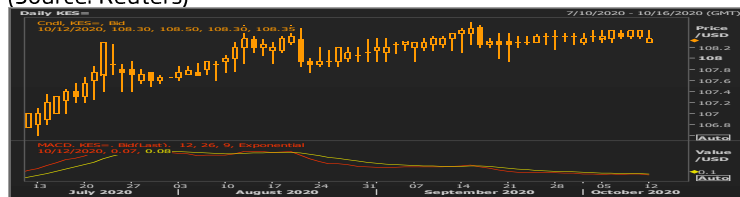
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.15	113.15	107.15	112.15
GBP/KES	147.65	155.65	148.15	155.15
EUR/KES	127.09	134.09	127.59	133.59
AED/KES	27.85	31.85	27.85	31.85

Money Market Rates	Current	Previous	Change
Interbank Rate	5.0861%	5.0486%	0.0375
91-Day T-bill	7.024%	6.931%	0.093
182-Day T-Bill	7.765%	7.722%	0.043
364-Day T-Bill	9.071%	9.014%	0.057
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	0.19588	-0.51957	0.09438
12 months	0.27775	-0.48914	0.15238

(Source: Reuters)



INTERNATIONAL NEWS

The dollar fell against major currencies as investors increased bets on countries that will benefit from rising prices for oil, metals, and other goods. Sentiments for the dollar have improved because of positive economic data and progress in passing a \$1.9 trillion stimulus package, but the greenback would continue to struggle against commodity currencies amid strong expectations for a rebound in global trade.

A jump in Brent crude futures above \$70 a barrel for the first time in more than a year triggered a flurry of bids for commodity currencies in early trade.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.09% to 92.073, not far from a three-month high reached during the previous session after data showed the U.S. economy created more than twice as many jobs as expected in February.

Euro eased slightly to \$1.1910 and the trend may be determined by the tone of the European Central Bank meeting on Thursday whereby markets expect them to keep policy on hold, but believe that they will address rising yields in the euro area, which could threaten any chance of a near-term economic recovery. The single currency has been on the backfoot to delays in vaccine rollouts and forced lockdowns in many European capitals.

Pound was steady at \$1.3830 as the United Kingdom lost market share in the United States, Germany and China during the COVID-19 pandemic due to global trade chaos, Brexit and poor productivity. UK Prime Minister Boris Johnson will be hoping for a fast virus vaccine rollout to ignite economic recovery.

Elsewhere, oil was up 1.57% with Brent at \$70.77 per barrel in early trade after a reported attack on Saudi Arabia oil facilities gave the black liquid a boost.

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	1.1780	1.2080
GBP/USD	1.3700	1.4000
USD/AED	3.6605	3.6865
USD/JPY	107.10	110.10

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