



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

## TREASURY MARKET UPDATE 10TH MAY 2021

### DOMESTIC NEWS

The Kenya shilling was steady on Friday in quiet trade as muted dollar demand from importers continued to underpin the currency. The local unit is expected to be range-bound in the near term on the back of strong diaspora remittances and adequate reserves at the apex bank.

By close of the day, the local unit stood at 106.60/80, compared to the day's opening of 106.70/90.

The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,575 million (4.63 months of import cover) as at May 06. 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.

Elsewhere, international oil increased during the week due to a reduction in crude oil inventories. Murban oil price (Kenya's benchmark) increased to \$67.78 per barrel on May 06 from \$65.68 per barrel on April 29.

### Indicative Forex Rates

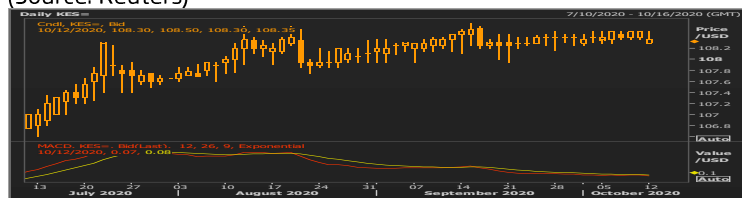
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.20	110.20	103.70	109.70
GBP/KES	145.90	153.90	146.40	153.40
EUR/KES	126.19	133.19	126.69	132.69
AED/KES	27.05	31.05	27.05	31.05

Money Market Rates	Current	Previous	Change
Interbank Rate	3.613%	4.0665%	0.454
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	0.19275	-0.52686	0.11038
12 months	0.27100	-0.48986	0.16350

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar was up in early trade but remained near a more than two-month low as markets continue to assess last week's disappointing U.S. employment report and its implications for monetary policy.

Non-farm payrolls rose by 266,000 only during the month as unemployment rate also rose to a higher-than-expected 6.1% in April. With expectations that the economic recovery from COVID-19 will lead to runaway inflation all but gone, markets now await inflation data later in the week.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.05% to 90.260. Pound was up 0.35% to \$1.4045 even after Scotland's First Minister Nicola Sturgeon said that another referendum on independence was inevitable after her Scottish National Party won a resounding victory in polls. The BOE predicted a sharper rebound in the British economy based on easing COVID-19 restrictions, but said it needed clear evidence of a recovery before tightening policy. It also predicted that inflation would remain contained even with the accelerating recovery.

Euro edged up 0.1% to \$1.2155 as the weekend news concerning the coronavirus vaccine deal by the European Union (EU) propelled the rally. European Commission President Ursula von der Leyen announced that the EU has struck a deal with BioNTech/Pfizer for up to 1.8 billion extra doses of their Covid-19 vaccine.

Elsewhere, oil was up 0.56% with Brent at \$68.66 per barrel as efforts continue to restore production after top U.S. fuel pipeline operator Colonial Pipeline Co. was hit by a cyber-attack forcing them to shut down its entire network. The pipeline supplies nearly half of all the fuel consumed on the U.S. East Coast and provides refined products to more than 50 million Americans.

### 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	1.2015	1.2315
GBP/USD	1.3900	1.4200
USD/AED	3.6610	3.6865
USD/JPY	107.00	110.00

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