



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH JUNE 2021

DOMESTIC NEWS

The Kenya shilling expunged previous losses on Thursday to close the day stronger against the dollar. Foreign currency sellers were active in the domestic market, compelling the local unit to claw back against the greenback. In today's trading, the pair is expected to play it out within the branded margins as market players await any trigger that could signal the market to a change in either direction as demand and supply forces battle it out. By close of trade, the local unit stood at 107.80/108.00 as compared to Wednesday's close of 107.85/108.05.

In the meantime, the value of Kenya's horticulture exports rose sharply in the first quarter of this year as economic activity slowly recovered from the pandemic downturn. According to data from the Central Bank of Kenya, horticulture exports jumped by 30% to KSh39.4 billion at the end of March 2021, from KSh30.3 billion in the same period in 2020. Kenya exported 179.6 tons of horticulture in the three months through March 2021, 36% more than it exported in the same period last year. Tea exports earnings, a key source of foreign exchange income for Kenya, reached KSh35.8 billion in Q1 2021, compared to KSh34.1 billion posted in Q1 2020. Tea farmers exported 152.6 tons of tea from January to March this year, compared to 147.8 tons of tea exported in the same period a year ago.

Indicative Forex Rates

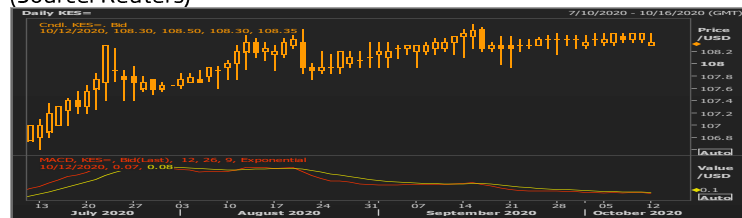
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.40	111.40	104.90	110.90
GBP/KES	149.05	157.05	149.55	156.55
EUR/KES	127.95	134.95	128.50	134.50
AED/KES	27.38	31.38	27.38	31.38

Money Market Rates	Current	Previous	Change
Interbank Rate	4.038%	4.310%	-0.272
91-Day T-bill	7.104%	7.137%	-0.033
182-Day T-Bill	7.731%	7.818%	- 0.087
364-Day T-Bill	8.648%	8.973%	-0.325
Inflation	5.870%	5.760%	0.110
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.15688	-0.52843	0.10525
12 months	0.24088	-0.48914	0.16550

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was down slightly on Thursday to 90.067 after alternating between losses and gains earlier in the session as investors digested elevated U.S. inflation while eyeing the U.S. Federal Reserve's next meeting. After adopting a wait-and-see attitude all week, sucking volatility from the market and leaving major currencies mostly range-bound, Thursday's developments appeared to add little new direction to currency markets.

The GBP/USD pair consolidated around \$1.4175 on Thursday as it cheered receding pessimism over the Brexit. US President Joe Biden's UK visit turned out to be less pessimistic than feared as UK Prime Minister (PM) Boris Johnson said that Biden is "a big breath of fresh air". Johnson and Biden agreed that both Britain and the EU had a responsibility to work together and to find pragmatic solutions to allow unencumbered trade between Northern Ireland, Britain and Ireland.

The euro remained on the defensive at around \$1.2170. As was widely anticipated, the European Central Bank left its monetary policy settings unchanged and indicated that it was in no hurry to slow the pace of the emergency bond-buying program.

The Japanese Yen remained depressed below 109.36 after data came in which showed that the Japanese economy shrank less than expected in Q1.

Elsewhere, global oil prices slipped on Friday to \$72.29 per barrel but were set for their third weekly rise on expectations for a recovery in fuel demand in Europe, China and the United States as rising vaccination rates lead to an easing of pandemic curbs.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000	
	KES		USD	
2 Weeks	6.00%		0.25%	
1 Month	6.25%		0.50%	
3 Months	6.50%		0.75%	
6 Months	6.75%		1.00%	
1 year	7.00%		1.25%	

Indicative Cross Rates

	Bid		Offer	
	Bid		Offer	
EUR/USD	1.2040		1.2290	
GBP/USD	1.4020		1.4280	
USD/AED	3.6610		3.6860	
USD/JPY	108.10		111.70	

For more details, contact our Treasury staff Jackline, Loryne, Evelyn and Benson on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913354/55/51. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.