



DOMESTIC NEWS

The Kenya shilling strengthened to an eight and a half month-high against the dollar on Friday spurred by strong inflows from foreign investors interested in investing in the recently concluded and oversubscribed government tax free infrastructure bond. The shilling is likely to remain bound in a tight trading range in the near term, backed by steady dollar inflows from the diaspora and the IMF loan as well as relief from reduced external debt service. By close of the day, the local unit stood at 107.20/40, compared to the previous day closing of 107.85/108.05. The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,425 million (4.56 months of import cover) as at April 08. 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. Nevertheless, the reserves are set for replenishing after the International Monetary Fund (IMF) defended its decision to grant Kenya a US\$2.34 billion loan (KES255 billion) for the covid-19 pandemic response and to address the country's debt vulnerabilities. Elsewhere, International oil prices declined during the week on account of rising number of COVID-19 cases and new lockdowns in some advanced economies. Murban oil price (Kenya's benchmark) decreased to \$61.68 per barrel on April 08 from \$62.10 per barrel on April 01.

Indicative Forex Rates

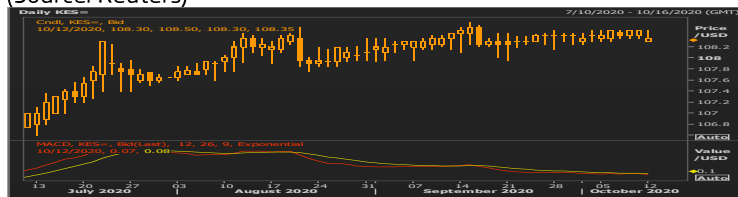
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.80	110.80	104.30	110.30
GBP/KES	142.71	150.71	143.21	150.21
EUR/KES	124.03	131.03	124.53	130.53
AED/KES	27.21	31.21	27.21	31.21

Money Market Rates	Current	Previous	Change
Interbank Rate	3.5954%	4.2718%	0.677
91-Day T-bill	7.096%	7.085%	0.011
182-Day T-Bill	7.914%	7.910%	0.004
364-Day T-Bill	9.366%	9.308%	0.058
Inflation	5.900%	5.780%	0.120
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.21138	-0.52871	0.10938
12 months	0.28575	-0.50329	0.16313

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was up in early trade but remained near two-and-a-half-year lows thanks to the previous week's decline in U.S. Treasury yields with the benchmark 10-year Treasury yield at 1.6745%. The yields are taking something of a breather after scaling multi-month peaks at the end of last month, powered by bets that an accelerating U.S. recovery from the pandemic will lift inflation faster than the Fed policymakers anticipate. However, the U.S. Federal Reserve has sought to calm these fears, insisting that any near-term price pressures are transitory. Fed Chairman Jerome Powell said that the U.S. economy is at an "inflection point" with expectations that growth and hiring will pick up speed in the months ahead, but also warned of risks stemming from a hasty reopening. The injection of further monetary policy from President Joe Biden's infrastructure plan could prove as another potential source of weakness for the greenback. The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.11% to 92.257.

Euro hovered near the lowest since March 23 at \$1.1885 benefitting from signs and hopes that the Eurozone's coronavirus vaccination situation is finally improving.

Pound is trading on the back foot, down 0.13% to \$1.3675 on the renewed strength in the US Dollar even as the UK economy showed some signs of recovery but the slower vaccination pace, after a good start, could hamper the path of turnaround.

Elsewhere, oil was steady near \$59 a barrel after Federal Reserve Chair Jerome Powell said the U.S. economy was poised for stronger growth, while cautioning that Covid-19 remains a threat.

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	1.1750	1.2050
GBP/USD	1.3550	1.3850
USD/AED	3.6605	3.6865
USD/JPY	108.00	111.00