



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH FEBRUARY 2021

DOMESTIC NEWS

The Kenya shilling was stable on Thursday on the back of subdued demand from importers, inflows from exports as well as players profit taking from their long dollar positions.

Increased forex inflows from exports in the agricultural sector, including tea, coffee, and horticulture continue to shield the local unit from further weakening. The local unit is also seen to be benefitting from improved diaspora remittances.

By close of the day, the local unit stood at 109.35/55, same as the day's opening.

This week's Treasury bills received a 90% subscription rate despite the continuing rise in yields on all the three government debt instruments as liquidity in the local money market continues to improve. The T-bill sale coincided with the tap sale for the two reopened 15-year and 20-year Treasury bonds that were auctioned late last month. The CBK is currently pursuing a policy of keeping the portion of government debt in T-bills to Bonds at about 30:70.

Elsewhere, Kenya's largest listed company, Safaricom, hit a market capitalization of KES 1.52 Trillion after the company's shares touched a new record high of KES 38.00 yesterday following the announcement that it will pay an interim dividend of KES 0.45 per ordinary share, amounting to KES 18.029 Billion for the year ended 31st March 2021.

Indicative Forex Rates

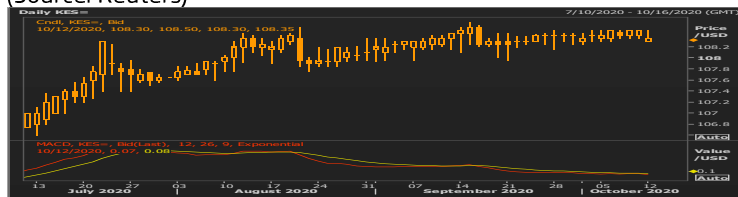
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.95	112.95	106.95	111.95
GBP/KES	147.55	155.55	148.05	155.05
EUR/KES	129.24	136.24	129.74	135.74
AED/KES	27.77	31.83	27.77	31.83

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5651%	4.8749%	0.309
91-Day T-bill	6.905%	6.873%	0.032
182-Day T-Bill	7.644%	7.594%	0.050
364-Day T-Bill	8.824%	8.716%	0.108
Inflation	5.690%	5.620%	0.070
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.20800	-0.54057	0.07163
12 months	0.30513	-0.50129	0.12213

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar remains on the back foot as new signs of weakness in the U.S. jobs market dented investor expectations about the pace of a pandemic recovery. The weaker-than-expected weekly U.S. jobless claims data added to recent concerns that the dollar's previous rally had priced in too fast a pace of rebound for the U.S. economy.

The Dollar Index, which tracks the greenback against a basket of six other currencies was little changed at 90.423 in holiday-thinned trade due to Chinese Lunar New Year.

The Euro was little changed at \$1.2125, consolidating for a third day after the European Commission announced that the Eurozone will return to pre-crisis performance sooner than expected, as they expect that coronavirus vaccines will help economies return to normal. German Chancellor Angela Merkel also said that the coronavirus pandemic lockdown would not last a day longer than necessary.

The Pound climbed 0.1% to \$1.3800, towards a three-year high, boosted by diminishing expectations for negative interest rates in the U.K. as the country's vaccination program continues to proceed relatively smoothly. However, there could be trouble ahead for Sterling as tensions between the EU and the U.K. start to rise again over the part of the Brexit deal covering Northern Ireland.

Elsewhere, Oil prices fell 0.6% for the second day with Brent at \$60.80 after OPEC cut its demand forecast and the International Energy Agency said the market was still over-supplied although COVID-19 vaccines are expected to help demand recover.

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	1.2000	1.2300
GBP/USD	1.3650	1.3950
USD/AED	3.6605	3.6865
USD/JPY	103.50	106.00

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