



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH APRIL 2021

DOMESTIC NEWS

The Kenya shilling was stable on Monday amid subdued appetite and inflows from remittances and export proceeds. The local unit is also finding footing from greater dollar flows on the back of the first disbursements of new loans from external borrowing.

By close of the day, the local unit stood at 107.00/20, compared to the day's opening of 107.20/40.

The medium-term optimism on to the local unit is further expected to enjoy some relief in pressure supported by secondary IMF dollar flows and new disbursements expected including the World Bank and Eurobond issues set for later this year.

A stronger shilling is expected to cut the cost of imports but has the reverse of raising the cost of local exports.

Last week, the IMF asked the CBK to consider 'weakening' the local unit to cushion the economy as it continues to battle the effects of the COVID-19 pandemic.

Indicative Forex Rates

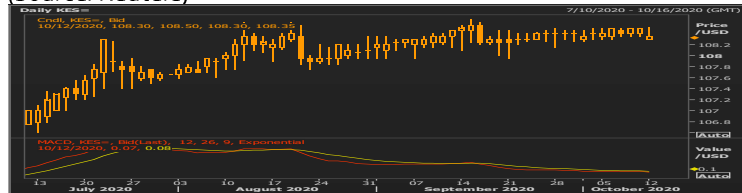
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.60	110.60	104.10	110.10
GBP/KES	143.08	151.08	143.58	150.58
EUR/KES	123.83	130.83	124.33	130.33
AED/KES	27.16	31.16	27.16	31.16

Money Market Rates	Current	Previous	Change
Interbank Rate	4.7983%	3.5954%	1.203
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 hovered near a three-week low against major rivals on Tuesday, pressured by lower Treasury yields as traders awaited highly anticipated U.S. inflation data later in the global day. The massive fiscal stimulus coupled with continued monetary easing will spur faster U.S. economic growth and higher inflation.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies edged slightly higher to 92.170.

Euro gained 0.2% to \$1.1891 even as Eurozone markets are becoming increasingly concerned about its economic prospects now that France and Germany have entered lockdowns to curb the spread of Covid-19. However, sentiment are turning positive after a delayed start to immunizations and mistrust over the AstraZeneca vaccine's side effects.

Sterling rose 0.3% to \$1.3735 as UK markets are becoming more confident about the outlook for the nation's economy now that a degree of normality has returned to its high streets. The UK's vaccine roll-out has been touted as one of the fastest in the world. Non-essential shops have reopened, along with pubs and restaurants for outdoor customers after three months of lockdown.

Bank of England have said that removing fiscal or monetary policy support for the economy too early after the coronavirus slump could have a damaging effect on the labour market.

Elsewhere, oil prices climbed 0.5% with Brent at \$63.59 a barrel as data from China showed the world's second largest oil consumer's import growth surging and on tensions in the Middle East after the Yemen-based Houthi movement said it fired missiles on Saudi oil sites.

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	1.3600	1.3900
USD/AED	3.6605	3.6865
USD/JPY	108.00	111.00

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.