



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH JULY 2021

DOMESTIC NEWS

The shilling was the under-achiever in Thursday's trading against the U.S dollar, as dollar appetite from various sectors of the economy hampered the local unit's quest for dominance. By close of day, the local unit stood at 107.95/108.15 as compared to Wednesday's close of 107.90/108.10.

In other news, The National Treasury has said that some 18 state-owned enterprises will have liabilities that exceed assets, totaling KSh 382 billion over the next five years. In a sample study, National Treasury grouped the state firms into profitable service providers-which include Kenya Ports Authority, Kenya Pipeline Company, Kenya Airports Authority and Kenya Electricity Generating Company (KenGen). Their earnings rating is profitable, and that they regularly pay dividends and taxes and are the primary revenue earners in the state-owned enterprises sector. Kenya Power and Lighting Company and Kenya Railways are listed as unprofitable, highly indebted, have huge liabilities and acute liquidity challenges. Insolvent wholly or partly owned state enterprises include Kenya Broadcasting Corporation, East African Portland Cement Company, Postal Corporation of Kenya and Kenya Post Office Savings Bank. A multi-faceted effort by was called upon by the National Treasury to all stakeholders to address the financial challenges facing state corporations, including possible reforms and restructuring through expenditure rationalization, revenue-enhancing measures and sealing revenue leakages to minimize financial support from the Exchequer.

Indicative Forex Rates

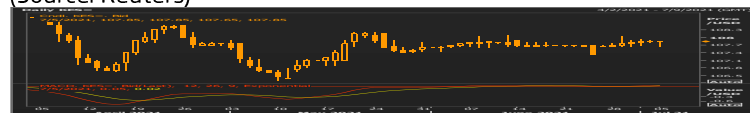
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.55	111.55	105.05	111.05
GBP/KES	145.50	153.50	145.95	152.95
EUR/KES	124.40	131.40	124.85	130.85
AED/KES	27.41	31.41	27.41	31.41

Money Market Rates	Current	Previous	Change
Interbank Rate	4.188%	4.284%	-0.096
91-Day T-bill	6.614%	6.728%	-0.114
182-Day T-Bill	7.101%	7.228%	- 0.127
364-Day T-Bill	7.576%	7.661%	-0.085
Inflation	6.300%	5.900%	0.400
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.15150	-0.52643	0.09638
12 months	0.24325	-0.49286	0.17438

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index pared recent gains on Wednesday at 92.404 after Federal Reserve Chair Jerome Powell told Congress that the U.S. economy was "still a ways off" from levels the central bank wanted to see before tapering its monetary support. Powell testified before the House of Representatives Financial Services Committee on Wednesday, where he said that monetary policy would remain accommodative and that inflationary pressures will likely moderate. However, he also warned that the Fed would act if inflation was persistently and materially above its 2% target. Investors now await Powell's second round of testimony later in the day.

The GBP/USD pair slumped to \$1.3839 on Wednesday on the back off the UK registering new coronavirus infections. Also negative for the sterling could be the on-going Brexit jitters wherein UK's Brexit Minister David Frost blames the Northern Ireland (NI) protocol, for the recent jump in Irish trade, while the British fishing industry experts' warn of further EU-UK jitters.

The euro alternated between gains and losses, consolidating the recent recovery above \$1.1800 on Wednesday. Data from the euro area showed that Industrial Production contracted by 1% in May.

The Japanese Yen edged down to 109.86 on Thursday ahead of a Bank of Japan policy decision that will be handed down on Friday.

Elsewhere, global oil prices extended losses on Thursday to drop below \$73 a barrel after U.S. gasoline stockpiles unexpectedly expanded, and on signs OPEC+ is closing in on an agreement to boost production after key members resumed negotiations.

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
EUR/USD	1.1720	1.1950
GBP/USD	1.3615	1.4040
USD/AED	3.6610	3.6860
USD/JPY	108.30	111.95

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.