



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH JUNE 2021

DOMESTIC NEWS

The Kenyan shilling was unchanged against on Monday the U.S. dollar as foreign currency demand and supply became matched. An uptick in activity across the counters saw the pair oscillate between gains and losses, ending the session within similar ranges. Price action for the USD/KES pair was largely flow driven. Today's trading is expected to be range bound as players look out for new fundamentals to guide the direction of the home unit. By close of the day, the local unit stood at 107.70/90, the same as the previous day's close.

In the meantime, the Central Bank of Kenya was in the market on 14th June 2021 in a bid to mop up KES 15 billion in the 7-, 14-, 21- and 28-day Term Auction deposit (TAD). For the 7-day TAD it received and accepted bids worth KES 2.350 billion at a rate of 5.227%. For the 14-day TAD it received and accepted bids worth KES 3.200 billion at a rate of 6.057%. For the 21-day TAD it received and accepted bids worth KES 0.050 billion at a rate of 6.000%. For the 28-day TAD it received and accepted bids worth KES 0.050 billion at a rate of 6.300%.

Indicative Forex Rates

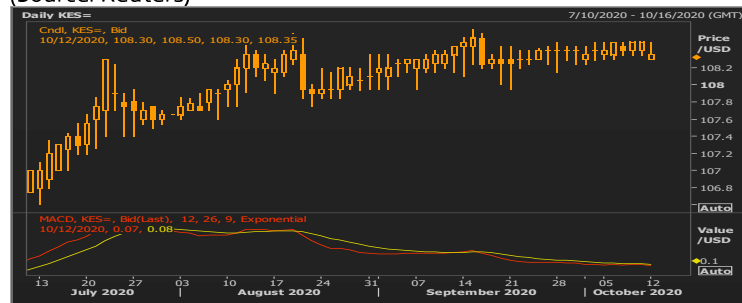
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.30	111.30	104.80	110.80
GBP/KES	148.15	156.15	148.65	155.65
EUR/KES	127.21	134.21	127.71	133.71
AED/KES	27.35	31.35	27.35	31.35

Money Market Rates	Current	Previous	Change
Interbank Rate	4.193%	4.146%	0.047
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	0.15250	-0.53214	0.10688
12 months	0.23938	-0.49400	0.16563

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was down on Monday to 90.442 as traders awaited a much-anticipated U.S. Federal Reserve meeting that might signal a change in the outlook for U.S. monetary policy. Fed officials, led by Chairman Jerome Powell, have so far insisted that any inflationary pressure is temporary, and that the current dovish monetary policy will remain in place for some time to come.

The GBP/USD pair remained sidelined around \$1.4105 levels on Monday. Despite gaining no major support from US President Joe Biden's meddling into the Northern Ireland (NI) protocol issue, the European Union (EU) keeps warning the UK to rethink before scrapping the previously agreed terms over the key border issue. On the other hand, fears of the Delta variants of the covid and the available vaccines' inability to tame the virus strain with one dose recently pushed UK PM Johnson to announce a four-week delay to the much-awaited unlock.

The euro was unfazed at \$1.2095 on Monday as ECB President highlighted that it is too early to debate the end of the Pandemic Emergency Purchase.

The Japanese Yen struggled near 110.05, as markets in Tokyo open for Tuesday's trading. It is worth noting that the fears of coronavirus in Japan and a snap election joins broad cautious sentiment.

Elsewhere, global oil prices rose on Tuesday to \$71.03 per barrel, with Brent gaining for a fourth consecutive session, as the prospect of extra supply coming to the market soon from Iran faded with talks dragging on over the United States rejoining a nuclear agreement with Tehran.

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	1.1960	1.2230
GBP/USD	1.4020	1.4270
USD/AED	3.6610	3.6860
USD/JPY	108.60	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.