



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH FEBRUARY 2021

DOMESTIC NEWS

The Kenya shilling was stable against the dollar on Monday as demand was equally matched with supply from exports and remittances. There was muted dollar demand from merchandise importers.

The market however remains bias for a stronger shilling against the greenback in the near-term from international lenders as well as digital platforms and e-commerce businesses that project to earn as much as \$1.5 billion in 2021.

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

The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 7,638 million (4.69 months of import cover) as at February 11. 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.

Elsewhere, The International Monetary Fund (IMF) have inked a deal with Kenya to disburse \$2.4 billion after reaching an agreement on a 38-month financial package to help the next phase of the country's COVID-19 response and a strong multi-year effort to stabilize and begin reducing debt levels relative to GDP whose disbursement will start in the coming weeks.

Indicative Forex Rates

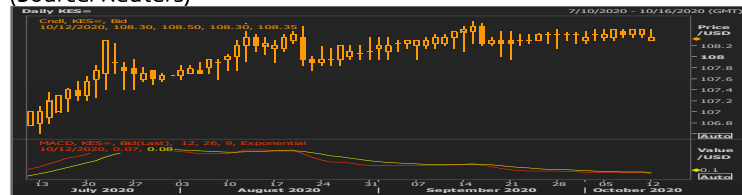
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.95	112.95	107.45	112.45
GBP/KES	148.57	156.57	147.07	156.07
EUR/KES	129.33	136.33	129.83	135.83
AED/KES	28.30	31.30	28.30	31.30

Money Market Rates	Current	Previous	Change
Interbank Rate	3.8839%	3.5511%	0.333
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	0.20075	-0.54271	0.07038
12 months	0.29975	-0.50043	0.12038

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was slightly down in early trade, with thin trade the previous session due to holidays in both China and the U.S as rising oil prices, a planned \$1.9 trillion U.S. stimulus and the general optimism for a global economic recovery from COVID-19 boosted currencies exposed to commodities and trade as well as stock markets.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.06% to 90.267.

The Pound rose 0.27% to an almost three-year high of \$1.3930 over hopes that the U.K.'s aggressive COVID-19 vaccine rollout will enable the country to see a swifter economic recovery than its European peers.

The Euro was steady at \$1.2130 extending last week's 0.6% advance, to re-test recent resistance at that level. Later in the day, markets are looking to Eurozone growth estimates, a German sentiment survey and U.S. manufacturing data to gauge the relative pace of the world's pandemic recovery.

Elsewhere, oil prices rose 0.6% with Brent at \$63.65 as a cold front shut wells and refineries in Texas, the biggest crude producing state in the United States, the world's biggest oil producer. Concerns also remain about supply in Saudi Arabia, the world's biggest oil exporter. All this, in addition to accelerated COVID-19 vaccine rollouts leading to increased hopes for economic recovery and improved fuel demand, gave the black liquid a boost.

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	1.1950	1.2350
GBP/USD	1.3775	1.4125
USD/AED	3.6605	3.6865
USD/JPY	103.85	106.85

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