



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 16TH MARCH 2021

### DOMESTIC NEWS

The Kenya shilling was stable on Monday, with dollar inflows from agricultural commodity exports and remittances giving it support amid muted demand from oil and merchandise importers.

The expected booking of fresh dollar-denominated loans from the World Bank and the IMF before the end of June is expected to cushion the shilling further as the economy rebounds and demand kicks in.

The clearest indication that Kenya would be going back to the international capital market came when it hesitated in participating in the Debt Service Suspension Initiative (DSSI) under the auspices of the G-20.

Foreign investors are also keen on the success of the ongoing Covid-19 vaccination roll-out, which will play a role in the speed of the country's economic recovery and thus open foreign direct investments. By close of the day, the local unit stood at 109.55/75, same as the day's opening.

Nonetheless, the increase in fuel prices to a nine-year high is likely pile inflationary pressure on the country's economy. While demand for oil is still lower than normal, there are hopes of a speedier than expected economic recovery as vaccines are rolled out.

### Indicative Forex Rates

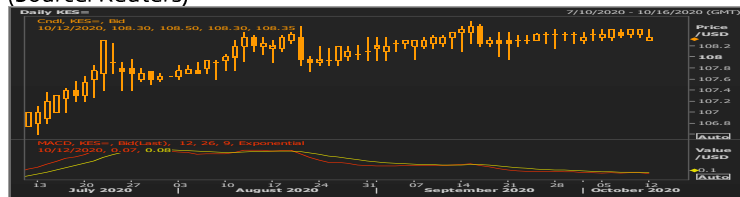
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.15	113.15	106.65	112.65
GBP/KES	148.07	156.07	148.57	155.57
EUR/KES	127.39	134.39	127.89	133.89
AED/KES	27.85	31.85	27.85	31.85

Money Market Rates	Current	Previous	Change
Interbank Rate	5.1810%	4.9256%	0.255
91-Day T-bill	7.024%	7.024%	0.000
182-Day T-Bill	7.832%	7.765%	0.067
364-Day T-Bill	9.144%	9.071%	0.073
Inflation	5.780%	5.690%	0.090
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.19400	-0.52314	0.10163
12 months	0.27813	-0.48929	0.15388

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar was up on Tuesday morning in Asia, holding onto small gains ahead of a week of central bank meetings, headlined by the U.S. Federal Reserve's two-day gathering that starts later today and is widely expected to make few changes to its current monetary policy.

The dollar's gains come amid a retreat in U.S. benchmark yields from their highest levels in more than a year ahead of the Fed meeting. Concerns about runaway inflation continue to grow across the markets, fueled by the global COVID-19 vaccine rollout, a \$1.9 trillion stimulus package in the U.S., and optimism for a faster-than-expected global recovery from COVID-19.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.05% to 91.882.

The Euro remained largely unchanged at \$1.1935 as Europe's COVID-19 vaccine rollout runs into some snags. Germany and France are among the European countries that have suspended the AstraZeneca PLC jab over concerns about possible serious side effects. A growing list of countries, including Ireland and the Netherlands, have already suspended usage. The suspensions are deepening concerns about the pace of inoculation in the continent, which could potentially delay economic recovery from the virus and adversely affect fuel demand.

Sterling fell about 0.2% to \$1.3870 ahead of a Bank of England meeting on Thursday, where the central bank is expected to keep its benchmark interest rate at its historic low of 0.1% and its bond-buying programme unchanged.

Oil was down 0.78% with Brent at \$68.34, reporting a third consecutive day of losses over concerns about rising U.S. crude oil stockpiles, as well as the impact of a delay in European COVID-19 vaccines on fuel demand recovery.

Source: Reuters

### Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	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	1.1810	1.2110
GBP/USD	1.3730	1.4030
USD/AED	3.6605	3.6865
USD/JPY	107.80	110.80

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