



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

## TREASURY MARKET UPDATE 17<sup>TH</sup> JUNE 2021

### DOMESTIC NEWS

The Kenyan shilling was unchanged against on Thursday 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 other news, Kenya is on an international virtual roadshow to sell a \$1 billion (Sh107 billion) loan by end of this month. Kenya floating a sovereign bond has been received well mostly by European and American lenders, pointing to a possible oversubscription. The Ministry first announced plans for the \$1 billion Eurobond in March 2021 and a separate 1-billion-euro bond as the plan was to raise \$1 billion by the end of June and an additional €1 billion in the fiscal year starting July 1. The new loans are expected to add on to public debt currently at Sh7.4 trillion, equivalent to 65.6 per cent of the gross domestic product in nominal terms. The country is expected to clear several loans falling due by end of this month as the moratorium extended to it by G20 countries and Paris Club of investors ends.

### Indicative Forex Rates

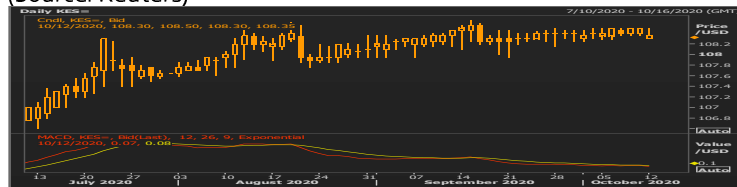
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.30	111.30	104.80	110.80
GBP/KES	146.90	154.90	147.40	154.40
EUR/KES	125.83	132.83	126.33	132.33
AED/KES	27.35	31.35	27.35	31.35

Money Market Rates	Current	Previous	Change
Interbank Rate	4.451%	4.377%	0.076
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	0.15263	-0.53057	0.10738
12 months	0.23325	-0.49157	0.16675

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index rose to 91.484 on Wednesday after the Fed left its benchmark interest rate and bond purchase intact, as expected. In addition, Federal Reserve unexpectedly brought forward its projections for interest rate hikes into 2023. The Federal Reserve began closing the door on its pandemic-driven monetary policy as officials projected an accelerated timetable for interest rate increases, opened talks on how to end crisis-era bond-buying, and said the 15-month-old health emergency was no longer a core constraint on U.S. commerce.

The GBP/USD pair inched up to \$1.3997 on Wednesday on the back off the Brexit saga continues to weigh on the performance of the pound. The escalating tension between the UK and EU over the Northern Ireland protocol remains a major pain area for the policymakers. British Prime Minister Boris Johnson said that unless they see progress on the Northern Ireland protocol, they will have to take steps to make sure post-Brexit trade between Britain and N. Ireland is uninterrupted.

The euro slumped to \$1.2000 on Wednesday as traders responded to the US Federal Reserve's performance. The second reading of the Eurozone Consumer Price Index, expected to ease from 0.6% to 0.3%, will be the adjacent catalyst to watch.

The Japanese Yen was steady at 110.69 on Thursday as The Bank of Japan said that it will extend its pandemic-relief programs to support a fragile economic recovery.

Elsewhere, global oil prices were down to \$73.97 per barrel on Thursday, with a strengthening dollar exerting pressure on the black liquid. However, a bigger-than-expected draw in U.S. crude oil supplies stemmed losses for the black liquid.

### 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	1.1940	1.2250
GBP/USD	1.3930	1.4220
USD/AED	3.6610	3.6860
USD/JPY	108.60	111.70

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.