



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

## TREASURY MARKET UPDATE 17TH MARCH 2021

### DOMESTIC NEWS

The Kenya shilling was steady on Tuesday as importer demand was matched by inflows from commodity exporters. 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.

Liquidity in the local money market continues to diminish with the average overnight interbank rate crossing the 5% mark for the better part of the month. A non-liquid market makes it hard for the National Treasury to raise funds through the domestic debt market.

The analysis by the CBK yesterday showed a square market. The regulator was thus out of the market to remain within the set monetary policy path by the MPC.

### Indicative Forex Rates

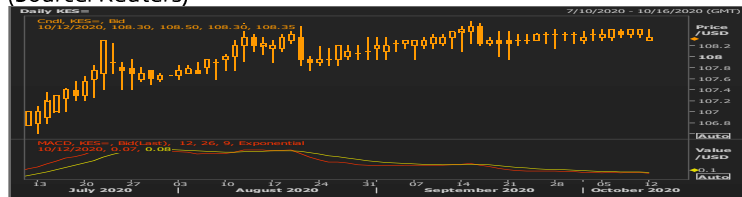
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.15	113.15	106.65	112.65
GBP/KES	148.07	156.07	148.57	155.57
EUR/KES	127.39	134.39	127.89	133.89
AED/KES	27.85	31.85	27.85	31.85

Money Market Rates	Current	Previous	Change
Interbank Rate	5.3007%	5.1810%	0.119
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	0.19750	-0.52286	0.09713
12 months	0.28100	-0.48971	0.15600

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar held gains against major currencies as investors looked to the U.S. Federal Reserve's policy meeting for any indications it could start rate hikes earlier or let bond yields rise further. Fed Chairman Jerome Powell is expected to be forecast that the U.S. economy will grow in 2021 at the fastest rate in decades, as the COVID-19 vaccination campaign gathers pace and a \$1.9 trillion relief package washes through to households.

The U.S. Dollar that tracks the greenback against a basket of other currencies inched up 0.03% to 91.903 drawing support mainly from elevated U.S. bond yields on the back of expectations of a strong economic recovery.

The Euro dropped to \$1.1900 as a possible delay in vaccinations could weigh on the common currency as Sweden and Latvia joined countries suspending their use in a further blow to Europe's vaccination rollout. The European Medicines Agency (EMA) said there was no indication that blood clot incidents in vaccinated people had been caused by the AstraZeneca shot, but experts were assessing that possibility.

The British pound was down about 0.1% at \$1.3885 due to profit-taking after it hit a near three-year high last month on the back of a fast vaccine roll-out. News that Germany, Italy and France had suspended AstraZeneca COVID-19 jabs amid safety fears dampened euphoria in Britain over its own swift vaccination campaign.

Elsewhere, Oil prices slipped 0.2% with Brent at \$68.29 per barrel on worries about rocky demand in Europe, even as hopes of a recovery in U.S. refinery activity were boosted by industry data that showed U.S. crude stockpiles unexpectedly fell last week.

Source: Reuters

### Indicative Profit Rates on Deposits

	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1780	1.2080
GBP/USD	1.3750	1.4050
USD/AED	3.6605	3.6865
USD/JPY	108.00	111.00

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.