



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 19TH APRIL 2021

DOMESTIC NEWS

The Kenya shilling weakened on Friday, giving up its gains from earlier in the week, driven by importers who stepped in to take advantage of the rally.

By close of the day, the local unit stood at 107.40/60, compared to the day's opening of 107.10/30.

The temporary strengthening was driven by positive sentiments after the International Monetary Fund approved a US\$2.34 billion loan for covid-19 pandemic response and to address the country's debt vulnerabilities.

The recent consolidation of the US Dollar globally on account of strong treasury yields could also pile pressure on the local unit.

Additionally, pressure on the shilling will continue coming from the rising uncertainties in the global market due to the Coronavirus pandemic, which has seen local investors continue to prefer holding their investments in dollars and other hard currencies and commodities.

However, support for the shilling will also come from the improving current account position as well as adequate foreign exchange reserves at the Central bank of Kenya.

Indicative Forex Rates

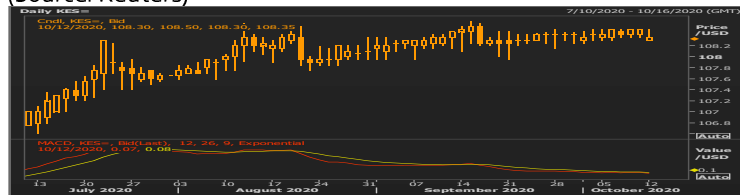
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.00	111.00	104.50	110.50
GBP/KES	144.90	152.90	145.40	152.40
EUR/KES	125.05	132.05	125.55	131.55
AED/KES	27.27	31.27	27.27	31.27

Money Market Rates	Current	Previous	Change
Interbank Rate	5.547%	4.9593%	0.588
91-Day T-bill	7.108%	7.096%	0.012
182-Day T-Bill	7.938%	7.914%	0.024
364-Day T-Bill	9.403%	9.366%	0.037
Inflation	5.900%	5.780%	0.120
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.22363	-0.52543	0.10975
12 months	0.29238	-0.49786	0.15750

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was pinned near a one-month low, with Treasury yields hovering near the lowest in five weeks, after the U.S. Federal Reserve reiterated its view that any spike in inflation was likely to be temporary and that the U.S. economy "is ready to rip" as vaccinations continue and activity picks up. Improved risk sentiment amid a rally in global stocks to record highs also plunged the greenback.

The U.S. dollar index, which measures the greenback against a trade-weighted basket of six major currencies, was at 91.684, not far from the low of 91.484 marked last week.

Euro changed hands at \$1.1965 as Europe's late but accelerating vaccination push is allowing monetary officials to begin pondering an economic future free of the curse of the coronavirus. Delays by some EU governments to submit their recovery plans before the April 30 deadline to the European Commission, which spells out how each government wants to spend its share of the EU's 750 billion euro joint borrowing scheme, will not delay the recovery scheme as a whole.

Pound climbed close to 1% to \$1.3851, reversing the losses seen a week prior, after the UK economy posted a modest gain of 0.4% heading in the right direction, as the government continues to lift health restrictions. The speedy roll-out of COVID-19 vaccinations across Britain and dwindling expectations of negative interest rates have given the Sterling a boost.

Elsewhere, oil prices dropped 0.3% with Brent at \$66.54 per barrel as rising coronavirus infections in India and other countries prompted concerns that stronger measures to contain the pandemic will hit economic activity, along with demand for commodities.

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	1.1830	1.2130
GBP/USD	1.3725	1.4025
USD/AED	3.6610	3.6865
USD/JPY	107.10	110.10

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