



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 19TH FEBRUARY 2021

DOMESTIC NEWS

The Kenyan shilling was unchanged on Thursday as dollar inflows from remittances and non-governmental organizations matched importer demand. Exports continue to hold up well and the trade deficit is improving due to a double-digit drop in imports amid disruptions in global supply chains as a result of Covid-19 shutdowns and restrictions helping to ease some pressure off the shilling against further depreciation.

By close of the day, the local unit stood at 109.45/65, similar to the day's opening.

In the bonds market, the tap sale on February's Treasury bond issue for the re-opened twin papers was undersubscribed by 38% despite a liquid money market during the period of sale that would ideally have supported the sale due to perceived oversupply of the tenors.

Elsewhere, the Central Bank of Kenya has transferred KES 5.0 billion out of its surplus funds to the National Treasury to help the government meet its budgetary obligation in the wake of revenue pressures as a result of the coronavirus pandemic. The regulator remains well-funded to deliver on its mandate of financial and macroeconomic stability.

Indicative Forex Rates

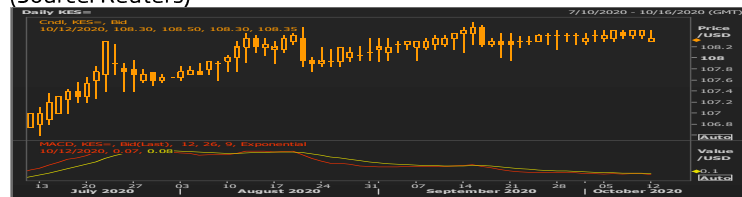
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.05	113.05	107.05	112.05
GBP/KES	149.05	157.05	149.55	156.55
EUR/KES	129.01	136.01	129.51	135.51
AED/KES	27.82	31.82	27.82	31.82

Money Market Rates	Current	Previous	Change
Interbank Rate	4.0296%	4.0634%	0.034
91-Day T-bill	6.911%	6.905%	0.006
182-Day T-Bill	7.684%	7.644%	0.040
364-Day T-Bill	8.931%	8.824%	0.107
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	0.19775	-0.53657	0.07588
12 months	0.29613	-0.49500	0.12800

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was up in early trade, clawing back some losses in ten days, after the unexpected rise in the number of U.S. jobless claims finally dented recent optimism for the country's quick economic recovery from COVID-19 even as progress is made on a \$1.9 trillion stimulus package proposed by President Joe Biden and the other economic indicators that are more positive.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.09% to 90.632.

The Pound edged down 0.12% to \$1.3970 after climbing to an almost three-year high during the previous session, the highest gains in more than a month, as the U.K. continues to roll out an ambitious COVID-19 vaccination program. The sharp jump in the Pound comes as U.K. Prime Minister Boris Johnson recently said the lockdown restrictions would be lifted in stages. The currency is likely to continue its upward trajectory over the short-term but could be in for rude awakening once the impact of Brexit begins to make its mark.

The Euro was flat after gaining 0.4% overnight to \$1.2045 as lockdowns across the bloc to help combat the coronavirus pandemic cause investors to remain cautious over the state of the Eurozone economy.

Elsewhere, Oil was down 1.64% with Brent at \$62.88 per barrel over growing worries that refineries shut by the cold snap in Texas and surrounding areas will take time to reopen, in turn denting crude oil demand.

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	1.1940	1.2240
GBP/USD	1.3815	1.4115
USD/AED	3.6605	3.6865
USD/JPY	104.30	107.30

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