



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

## TREASURY MARKET UPDATE 19TH MARCH 2021

### DOMESTIC NEWS

The Kenya shilling was relatively stable on Thursday, but markets forecast it to weaken, due to an uptick in demand for dollars from the energy sector and manufacturing as well as general importers, worsening the already high cost of living in the country.

The growing high demand for the dollar amid erratic inflows is expected to continue towards end of the month but the local unit could get some support from corporates making statutory payments today.

By close of the day, the local unit stood at 109.75/95, compared to the previous day close of 109.70/90.

Elsewhere, the Central Bank of Kenya (CBK) accepted bids worth KES 23.3 Billion in yesterday's Treasury Bills Auction. The most attractive instrument during this open market operations was the one-year t-bill with the six-month t-bill being the least attractive. There was continuing rise in yields on all the three papers.

Treasury has also scheduled KES.124.3 billion in Eurobond proceeds, KES.54 billion from the IMF's rapid credit facility (RCF) and KES.74.3 billion from the World Bank for budgetary support to assist weather the covid-19 pandemic and retire other debts.

### Indicative Forex Rates

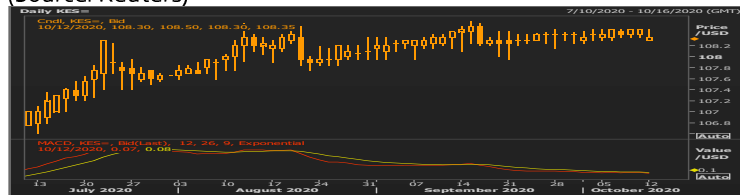
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.35	113.35	106.85	112.85
GBP/KES	148.85	156.85	149.35	156.35
EUR/KES	127.39	134.39	127.89	133.89
AED/KES	27.91	31.91	27.91	31.91

Money Market Rates	Current	Previous	Change
Interbank Rate	5.4786%	5.3730%	0.106
91-Day T-bill	7.071%	7.024%	0.047
182-Day T-Bill	7.884%	7.832%	0.052
364-Day T-Bill	9.213%	9.144%	0.069
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	0.20300	-0.52271	0.10113
12 months	0.28088	-0.48829	0.15775

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar inched down in early trade but was boosted by higher Treasury yields at 1.715% for the benchmark U.S. 10-year and a fall in global shares as markets continue to digest the U.S. Federal Reserve's deflection of early interest-rate hike expectations.

The Federal pledged to press on with the aggressive monetary stimulus, saying a near-term spike in inflation would prove temporary amid their projections for the strongest U.S economic growth in nearly 40 years.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.01 at 91.862.

The Pound sank 0.2% to \$1.3910 as the Bank of England (BOE) when handing down its policy decision warned that the outlook for U.K.'s recovery from COVID-19 remained unclear, which disappointed expectations that BOE would signal a more confident outlook.

The Euro slipped 0.1% to \$1.1915 due to a surging third wave of COVID-19 cases in France which saw Paris and other parts of the country enter a fresh lockdown, dampening investor sentiment. However, several countries, including Germany and France, plan to resume usage of the AstraZeneca COVID-19 vaccine after the European Medicines Agency (EMA)'s endorsement of the vaccine to calm jitters over potential side effects thus giving the continent's COVID-19 vaccination rollout a boost.

Elsewhere, oil prices were still down more than 8% for the week with Brent at \$60.10 per barrel as a new wave of COVID-19 infections across Europe spurred fresh lockdowns and dampened hopes that an anticipated recovery in fuel demand would come soon.

Source: Reuters

### Indicative Profit Rates on Deposits

	Amounts > 10 Million	
	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	1.1800	1.2100
GBP/USD	1.3800	1.4100
USD/AED	3.6605	3.6865
USD/JPY	107.50	110.50

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.