



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

## TREASURY MARKET UPDATE 21ST APRIL 2021

### DOMESTIC NEWS

The Kenya shilling was relatively stable on Tuesday but was cushioned from depreciation by the central bank selling dollars in the interbank market.

By close of the day, the local unit stood at 108.00/20, same as the day's opening.

The recent uptick in demand for dollars from importers is projected to be short lived as early end-month demand kicks in but the local unit is forecast to hold steady aided by inflows and sufficient foreign exchange reserves at the apex Bank.

The second tranche of the IMF loan of \$404 million, and the World Bank facility of \$1.5 billion under the Development Policy Operation (DPO) before June as well as the Eurobond issuance of \$1 billion are all expected to boost the forex reserves and shore up the shilling.

Elsewhere, a report by the Central Bank of Kenya shows that individual investors and private firms have raised their investment in government debt by nearly half since the beginning of the current fiscal year, pointing to the growing popularity of bonds as an investment option among Kenyans in search of returns due to the poor performance of other investment classes.

### Indicative Forex Rates

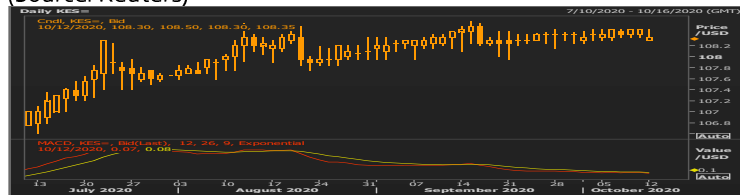
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.65	111.65	105.15	111.15
GBP/KES	146.57	154.57	147.07	154.07
EUR/KES	126.59	133.59	127.09	133.09
AED/KES	27.44	31.44	27.44	31.44

Money Market Rates	Current	Previous	Change
Interbank Rate	5.5805%	5.406%	0.174
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	0.22175	-0.52486	0.11213
12 months	0.28675	-0.49714	0.15813

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar inched up in early trade but remained near multi-week lows on the back of subdued U.S. bond yields also diminished the U.S. currency's yield appeal. Mounting evidence that the U.S. Federal Reserve will be slower in tightening monetary policy than it had appeared to the market have led to declines in U.S. yields and the dollar.

Global stocks also pulled back from record highs as surging COVID-19 numbers continue to soar globally, triggering investor caution and put paid to expectations of a quick economic recovery.

The U.S. Dollar Index Futures that tracks the greenback against a basket of other currencies inched up 0.01% to 91.40.

Euro is trading at \$1.2035 as European Union's procurement of an additional 100 million doses of the COVID-19 vaccine produced by BioNTech and Pfizer lent support to the single currency. Separately markets will be watching the European Central Bank's view of the Eurozone's economic outlook as it hands down its policy decision tomorrow.

Sterling is in the red, falling 0.24% to \$1.3935 despite Britain easing of activity restrictions post-pandemic, backed by strong vaccination drive, and the heavy stimulus.

Elsewhere, oil was down 0.75% in early trade with Brent at \$66.07 per barrel over renewed rise in the number of COVID-19 cases globally and a surprise build in U.S. crude oil amid a collapse in demand for everything. India, the third-largest oil importer, exceeded 15 million cases which led to the imposition of a six-day lockdown starting yesterday. Tokyo and Osaka have requested for a state of emergency to curb the increasing cases.

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	1.1915	1.2215
GBP/USD	1.3850	1.4250
USD/AED	3.6610	3.6865
USD/JPY	107.00	110.00

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