



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

## TREASURY MARKET UPDATE 22ND APRIL 2021

### DOMESTIC NEWS

The Kenya shilling weakened further on Wednesday due to increased dollar demand from importers, a day after central bank sold dollars to the market to cushion it.

By close of the day, the local unit stood at 108.35/55, compared to the day's opening of 108.00/20.

However, foreign exchange reserves at the apex Bank remains adequate to protect the unit from further depreciation on the back of increased diaspora remittances in March 2021 by a whopping 27% compared to a similar period in 2021 and \$30 million more compared to February 2021.

Elsewhere, the National Treasury is seeking to appoint a Sovereign Debt Advisory firm to help the country restructure its external commercial loans to reduce the cost and improve its debt sustainability measure. The move comes at a time when the country has started to feel the heat of servicing the huge borrowing from recent years, partly due to the Covid-19 pandemic that has hit the balance of payments.

### Indicative Forex Rates

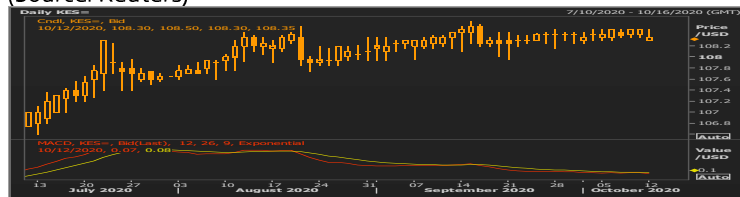
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.95	111.95	105.45	111.45
GBP/KES	147.04	155.04	147.54	154.54
EUR/KES	127.00	134.00	127.50	133.50
AED/KES	27.53	31.53	27.53	31.53

Money Market Rates	Current	Previous	Change
Interbank Rate	5.6675%	5.6805%	0.013
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	0.22263	-0.52186	0.11250
12 months	0.28700	-0.49414	0.15825

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar was down in early trade, remaining near multi-week lows as U.S. Treasury yields reversed their climbs diminishing the greenback's interest-rate advantage although markets still retain a more positive outlook in the long term over a strong U.S. economy and an improving COVID-19 vaccine rollout. Last month, Treasury yields spiked to their highest due to worries about accelerating inflation, which prompted dollar investors to pile into the currency. However, this trend has started to unwind as yields reversed course, and investors will now look to the U.S. Federal Reserve's meeting next week for cues.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.03% to 91.105.

Pound inched down 0.01% to \$1.3930 as markets assumed a 0.7% rise in inflation in March would have little impact on monetary policy and waited for crucial PMI results tomorrow. Britain's rapid pace of vaccinations against COVID-19 could lead to a strong rebound from the country's worst economic contraction in 300 years. However, it might not yet be possible to get a sense of the economic cost of its decision to leave the European Union's single market.

Euro is trading at \$1.2035 as markets await the European Central Bank (ECB) policy decision later in the day. Any positive comments from the central bank about the economic outlook or hints of tapering bond purchases are widely expected to boost the single currency. The ECB is widely expected to maintain its current policy.

Elsewhere, Oil is down 0.44% with Brent at \$65.03 per barrel as the ever-rising number of COVID-19 cases in India and Japan continue to raise fuel demand concerns.

### 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	1.1890	1.2190
GBP/USD	1.3810	1.4210
USD/AED	3.6610	3.6865
USD/JPY	107.00	110.00

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