



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

## TREASURY MARKET UPDATE 23RD APRIL 2021

### DOMESTIC NEWS

The Kenya shilling weakened further on Thursday amid increased demand from oil, manufacturing, agricultural and merchandise importers and is forecast to face pressure next week as traditional month-end demand for dollars increases.

By close of the day, the local unit stood at 108.55/75, compared to the day's opening of 108.35/55.

However, foreign exchange reserves at the apex Bank remains adequate to protect the unit from further depreciation. Loan proceeds from the IMF and the World Bank before the end of the current financial year are expected to boost the forex reserves and shore up the shilling.

The upcoming Eurobond issuance of \$1 billion towards end of the calendar year will help roll-over repayments for the maturing 2014 Eurobond.

Kenya is feeling the heat of servicing its huge public debt that has affected the country's balance of payments. It will take up cheaper loans in future and retire expensive loans from China.

### Indicative Forex Rates

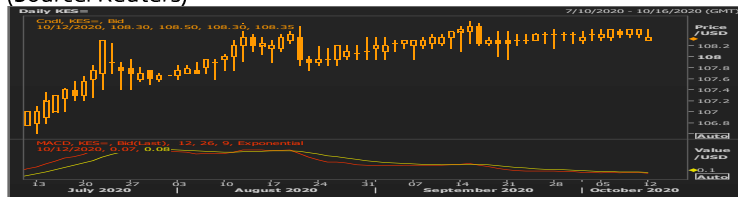
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.00	112.00	105.50	111.50
GBP/KES	146.40	154.40	146.90	153.90
EUR/KES	127.00	134.00	127.50	133.50
AED/KES	27.53	31.53	27.53	31.53

Money Market Rates	Current	Previous	Change
Interbank Rate	5.7709%	5.6675%	0.103
91-Day T-bill	7.115%	7.108%	0.007
182-Day T-Bill	7.925%	7.938%	0.013
364-Day T-Bill	9.460%	9.403%	0.057
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	0.21650	-0.52071	0.11013
12 months	0.28225	-0.49214	0.15788

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar was hemmed into a narrow trading range on Friday as traders contemplate the next moves by major central banks ahead of a U.S. Federal Reserve meeting next week.

Fed Chairman Jerome Powell is likely to repeat Lagarde's message that talk of tapering is premature, which would put downward pressure on Treasury yields and cap the dollar's gains against most currencies.

Separately, markets continue to digest a U.S. proposal for higher taxes to fund the country's latest social plan. U.S. President Joe Biden will reportedly propose almost doubling the tax on capital gains to 39.6% for those earning more than \$1 million a year.

The U.S. dollar index, which tracks the greenback against a basket of currencies of other major trading partners, fell 0.07% to 91.217.

Euro slipped 0.26% to \$1.2025 as the European Central Bank indicated it was in no rush to taper its emergency bond purchases despite optimism over a strong recovery and left its benchmark rate at 0.00% and said it would stick with plans to accelerate emergency bond purchases until March 2022 in a bid to keep bond yields steady.

Pound is down 0.6% to \$1.3860 erasing the week's gains as investors weighed up the outlook for an economic recovery in Britain this month as the country began to recover from the slump caused by the COVID-19 pandemic. Non-essential shops in England and Wales re-opened on April 12, as part of a plan to ease the restrictions.

Elsewhere, oil prices rose 0.3% with Brent at \$65.61 per barrel on hopes of a fuel demand recovery in the United States and Europe as economic growth picks up and lockdowns ease, but worries about India's raging second wave of COVID-19 cases kept a lid on gains.

### 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	1.3720	1.4020
USD/AED	3.6610	3.6865
USD/JPY	106.50	109.50

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.