



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

## TREASURY MARKET UPDATE 23RD JUNE 2021

### DOMESTIC NEWS

The Kenya shilling was unchanged against the dollar on Tuesday as activity in the market remained subdued. Limited activity on both supply and demand sides continued for the seventh day in a row as uncertainties in the global market due to the Covid-19 pandemic ease as economies ramp up the vaccination exercise. Additionally, positive sentiments around the just concluded Eurobond sale, the earlier disbursed facility from the International Monetary Fund and improving diaspora remittances are key factors cushioning the shilling against any volatility. By close of the day, the local unit stood at 107.70/90, same as the day's opening.

Elsewhere, the Central Bank of Kenya has announced an extended sale (tap sale) of two re-opened 20-year Treasury bonds to July 1 to raise KES.50 billion, which had raised KES.19.7 billion earlier in the month. The reserve bank will be seeking to take advantage of high liquidity in the financial markets to firm up domestic borrowing early in the financial year as investors continue to favor the safe-haven investments in government securities. Uncertainty remains in alternative investment classes such as private sector lending. In the new fiscal year 2021/2022, the government is expected to borrow in excess of KES.660B excluding redemption on local debt.

### Indicative Forex Rates

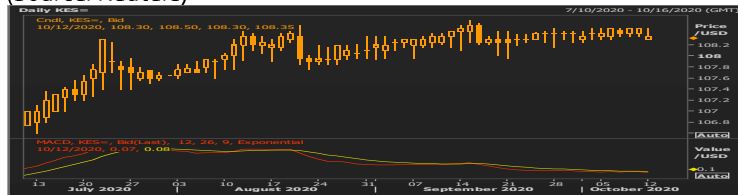
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.30	111.30	104.80	110.80
GBP/KES	146.17	154.17	146.67	153.67
EUR/KES	124.98	131.98	125.48	131.48
AED/KES	27.35	31.35	27.35	31.35

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6875%	4.4219%	0.267
91-Day T-bill	7.000%	7.104%	0.104
182-Day T-Bill	7.536%	7.731%	0.195
364-Day T-Bill	8.105%	8.648%	0.543
Inflation	5.870%	5.7600%	0.110
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.16375	-0.52629	0.11438
12 months	0.25088	-0.48929	0.18300

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar remained on the back foot against major peers after a two-day drop as U.S. Federal Reserve officials including Chair Jerome Powell reaffirmed that tighter monetary policy was still some way off. Powell warned that the economic recovery requires more time before a tapering of stimulus and higher borrowing costs are appropriate.

New York Fed President John Williams said Fed officials will keep a close eye on economic data to determine when it will be appropriate to start adjusting monetary policy.

Benchmark 10-year Treasury yields edged lower in Asia to 1.4616%, from as high as 1.5940% a week ago.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.13% to 91.873.

Euro was little changed at \$1.1920.

Pound remained unfazed at \$1.3930 by reports that COVID-19 restrictions could end on July 19 as the British Health Minister Matt Hancock remained confident on the corona cases related data.

Meanwhile, the UK and EU officials remained optimistic about resolving the post-Brexit trade war. The EU has been reviewing the UK's formal written request on the extension of the grace period beyond 30th June on the ban of the sale of chilled meat and sausages into Northern Ireland as per the protocol.

Elsewhere, oil was up 0.59% with Brent at \$75.25 per barrel as a strong economic rebound of key consumers boosted fuel demand continuing their economic recovery from COVID-19. and drained bloated inventories. Investors now await the Organization of the Petroleum Exporting Countries and allies (OPEC+) meeting for clues on production policy with Russia considering a potential supply increase.

Source: Reuters

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.40%	0.05%
1 Month	6.65%	0.75%
3 Months	6.90%	1.00%
6 Months	7.15%	1.25%
1 year	7.90%	1.50%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1790	1.2090
GBP/USD	1.3800	1.4100
USD/AED	3.6610	3.6865
USD/JPY	109.50	112.50

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.