



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 24TH MARCH 2021

DOMESTIC NEWS

The Kenya shilling was stable on Tuesday in a day characterized by quiet market activity with supply matching the fading demand from importers.

The shilling is however forecast to weaken due to end-month importer dollar demand.

By close of the day, the local unit was unchanged at 109.75/95.

The new strain of Covid-19 may spark another round of economic uncertainties with tourism and the agricultural export market likely to be hugely hampered by the menace.

Elsewhere, the Central Bank of Kenya (CBK) has announced expiry of emergency measures on extension and restructuring of loans to mitigate the adverse economic effects for bank borrowers from the coronavirus (COVID-19) pandemic effective March 2, 2021, following which the standard procedures for loan classification and provisioning would now apply.

Consequently, borrowers whose loans were performing before March 2, 2020 but were restructured and subsequently went into arrears, will have three months (up to June 3, 2021) to regularize their loans.

Indicative Forex Rates

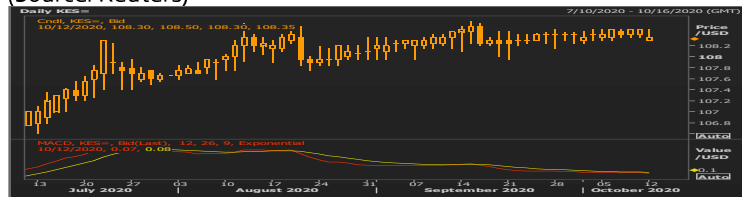
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.35	113.35	106.85	112.85
GBP/KES	146.52	154.52	147.02	154.02
EUR/KES	126.58	133.58	127.08	133.08
AED/KES	27.91	31.91	27.91	31.91

Money Market Rates	Current	Previous	Change
Interbank Rate	5.5901%	5.706%	0.116
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	0.20413	-0.52043	0.10525
12 months	0.27625	-0.49000	0.16313

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was up in early trade near a four-month high, as COVID-19 concerns, potential U.S. tax hikes, and tensions over tit-for-tat sanctions between China and the West turned investors towards the safe-haven asset. Sanctions imposed on China by the U.S., Europe, and the U.K. over human rights issues, prompting the former to retaliate with sanctions of its own, continue to add to market concerns.

It also got a boost during U.S. Treasury Secretary Janet Yellen's testimony before the House Financial Services Committee, where she said that future tax hikes will be needed to pay for infrastructure projects and other public investments.

Federal Reserve Chairman Jerome Powell added that an expected near-term spike in inflation will be transitory.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.04% to 92.382.

The Pound edged down 0.17% to \$1.3710 as the EU considers banning COVID-19 vaccine exports to Britain, which relies heavily on imports for its vaccination drive.

Euro fell towards a four-low of \$1.1840 after a third wave of COVID-19 cases in Europe prompted fresh lockdowns in several countries. Germany extended its lockdown until Apr. 18, with France and Italy also extending restrictive measures.

Elsewhere, Oil was mixed with Brent down 0.76% at \$60.84 per barrel, as investors continue to digest an increase in U.S. crude oil stockpiles. The outlook is also clouded by a third wave of COVID-19 cases in Europe, which has triggered renewed restrictive measures in several countries. The number of cases is also rising in India, the third-largest oil importer globally.

Source: Reuters

Indicative Profit Rates on Deposits

	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1700	1.2000
GBP/USD	1.3600	1.3900
USD/AED	3.6605	3.6865
USD/JPY	107.30	110.30

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