



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 24<sup>th</sup> NOVEMBER 2021

### DOMESTIC NEWS

The shilling waffled to the weaker side on Thursday as demand for the dollar dominated the market. The narrative of a higher dollar demand side persisted in the local FX market as players held on to paltry inflows, leaving the local currency somewhat weaker by close of business. In today's session, the Kenya shilling remains exposed to further downside risks weighed down by increasing dollar demand. That said, players continue to keep an eye on any new developments and flows continue to guide the direction for the USDKES pair. By close of day, the local unit stood at 112.35/112.50 as compared to previous days close of 112.30/112.50.

In other news locally the Central Bank of Kenya (CBK), the state's fiscal agent, has invited bids for the sale of re-opened 10 year and 20-year Fixed-Coupon Treasury Bonds, that were first sold in 2019 and 2018 respectively.

CBK seeks to raise KSh 40 Billion in the December 2021 T-Bonds Sale, with the proceeds to be used for the Government's Budgetary Support.

In the prospectus announcing the sale the CBK states that the coupon rate for the 10-year Treasury Bond is 12.280% per annum while that for the 20-year Treasury Bond is 13.200% per annum.

### Indicative Forex Rates

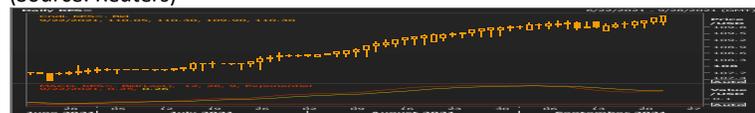
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	108.70	115.70	110.20	115.20
GBP/KES	146.07	154.07	145.77	154.47
EUR/KES	121.75	129.65	122.55	130.05
AED/KES	29.05	32.05	28.55	32.55

Money Market Rates	Current	Previous	Change
Interbank Rate	5.190%	5.065%	0.125
91-Day T-bill	7.114%	7.070%	0.044
182-Day T-Bill	7.747%	7.683%	0.064
364-Day T-Bill	8.840%	8.745%	0.095
Inflation	6.450%	6.950%	-0.500
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.24388	-0.57400	0.30213
12 months	0.42563	-0.49171	0.67125

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The dollar index held near 16-month highs on Tuesday after Federal Reserve Chair Jerome Powell was picked for a second term, reinforcing market expectations that U.S. interest rates will rise in 2022.

In recent months Currency markets have been mostly driven by market perceptions of the different paces at which global central banks reduce pandemic-era stimulus and raise rates.

The renomination of Powell's renomination supports the view that the Fed is likely to begin raising rates in mid-2022, after it winds down its bond purchase program.

The euro gained 0.16% against the dollar to \$1.1251, after earlier hitting a 16-month low of \$1.1226.

Earlier on Monday, the euro had tumbled following the concern over new COVID-19 restrictions in Europe. Austria entered another full lockdown and Germany considering following suit. Germany's health minister has called for further restrictions on public spaces.

On the commodities space Gold prices edged higher on Wednesday, though strength in the U.S. dollar and bets that the Federal Reserve could raise interest rates sooner kept the metal below the key \$1,800 mark.

Elsewhere, Currencies in Asia's emerging markets were broadly subdued on Wednesday, as regional assets remained resilient, even as rate hike bets in the U.S. continued to push the dollar higher following Federal Reserve chair Jerome Powell's reappointment.

### Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000	
	KES		USD	
	2 Weeks	6.00%	0.25%	
1 Month	6.25%	0.50%		
3 Months	6.50%	0.75%		
6 Months	6.75%	1.00%		
1 year	7.00%	1.25%		

### Indicative Cross Rates

	Bid		Offer	
	EUR/USD	1.1112	1.1460	
GBP/USD	1.3225	1.3635		
USD/AED	3.6640	3.6895		
USD/JPY	108.25	116.65		

For more details, contact our Treasury staff Mary, Bernard, Loryne Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/54/55. 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.