



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH MAY 2021

DOMESTIC NEWS

The Kenya shilling firmed up against the dollar on Monday after a drop in demand for hard currency by importers. However, the unit might come under pressure in the coming days as companies are getting ready for their end of month obligations amid projected lower economic growth after the International Monetary Fund revised Kenya's growth prospects from 7.6% to 6.3% for 2021. By close of the day, the local unit stood at 107.90/108.10, compared to the day's opening of 108.15/35.

Elsewhere, the next meeting of the Monetary Policy Committee (MPC) of the Central Bank of Kenya will be held tomorrow Wednesday, May 26, 2021.

Markets expect the committee to be under less pressure to tighten monetary policy in the medium term due to the slow decline in the fiscal deficit and rising multilateral support.

Indicative Forex Rates

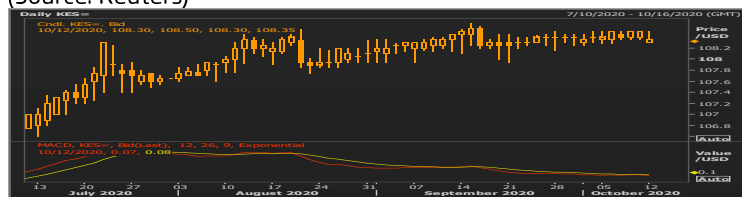
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.50	111.50	105.00	111.00
GBP/KES	149.15	157.15	149.65	156.65
EUR/KES	128.58	135.58	129.08	135.08
AED/KES	27.40	31.40	27.40	31.40

Money Market Rates	Current	Previous	Change
Interbank Rate	5.0566%	4.9846%	0.072
91-Day T-bill	7.155%	7.156%	0.001
182-Day T-Bill	7.953%	7.995%	0.042
364-Day T-Bill	9.284%	9.365%	0.081
Inflation	5.760%	5.900%	0.140
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.17875	-0.52529	0.10625
12 months	0.25963	-0.48743	0.16288

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar is languishing near a four-month lows against the major currencies as bets on a robust global economic recovery continued to support currencies seen as riskier. Markets have begun to anticipate higher U.S. interest rates coming when the U.S. Federal Reserve reacts to signs of increasing inflation. Since recovery is picking up globally, market players are trying to anticipate how quickly yields in other countries will rise compared to the likely pace in the United States. Markets are also watching for progress on a new U.S. stimulus package, after the White House pared down its infrastructure bill to \$1.7 trillion last week but failed to gain Senate Republican backing. The U.S. Dollar Index which tracks the performance of the greenback against the six majors moved around the 90 mark, down 0.2% on the day.

Euro is up 0.3% to \$1.2225 on a weak dollar. Europe has also moved to catch up with the United States in vaccinating its people and reviving its economy. Meanwhile, European Central Bank (ECB) President Christine Lagarde shrugged off the expectation of winding up the bond purchasing program.

Pound is trading just shy of \$1.4200 on bets that Britain's COVID-19 vaccine rollout will enable a quicker reopening of its economy. Markets have set their eyes on an address by four Bank of England policymakers to a parliamentary sub-committee. BOE Governor Andrew Bailey said he does not see long-term implications from an expected pick-up in inflation as the economy emerges from the coronavirus pandemic. Elsewhere, oil prices rose 0.2% with Brent at \$68.60 holding around one-week high as investors tempered previous expectations of an early return of oil exporter Iran to international crude markets.

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	1.2100	1.2400
GBP/USD	1.4040	1.4340
USD/AED	3.6610	3.6865
USD/JPY	107.50	110.50

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