



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

## TREASURY MARKET UPDATE 28TH MAY 2021

### DOMESTIC NEWS

The Kenya shilling strengthened a tad on Thursday mainly due to adequate supply of dollars from exports amid an uncharacteristic drop in end month demand from importers. The local unit is thus expected to trade in a tight range in the coming days.

By close of the day, the local unit stood at 107.40/60, compared to the day's opening of 107.45/107.65.

Foreign exchange reserves at the apex bank are due to receive a boost as the country is set to receive USD750 million from World Bank and USD410 million from International Monetary Fund (IMF) by end of June to address the debt problem and assist the country deal with the adverse effects of the COVID-19 pandemic respectively.

Elsewhere, a day after the Central Bank of Kenya maintained the benchmark rate at 7%, Governor Patrick Njoroge speaking at a post-Monetary Policy Committee meeting said Kenya is keen on debt repayment extension from its external lenders to help stabilize the economy from the effects of the Covid-19 pandemic.

In January, Paris Club of rich countries agreed to freeze Kenya's debt repayment up to the end of June which will see the country save KES 17.1 billion

IMF projects the country's economy to expand by 6.3% in 2021.

### Indicative Forex Rates

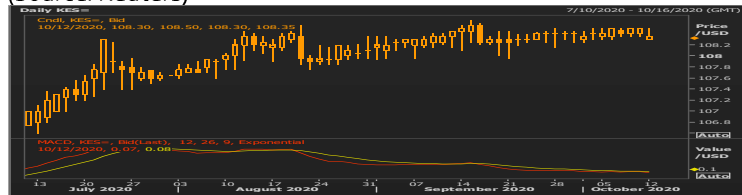
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.05	111.05	104.55	110.55
GBP/KES	148.61	156.61	149.11	156.11
EUR/KES	127.51	134.51	128.01	134.01
AED/KES	27.28	31.28	27.28	31.28

Money Market Rates	Current	Previous	Change
Interbank Rate	5.0056%	5.0656%	0.060
91-Day T-bill	7.139%	7.155%	0.016
182-Day T-Bill	7.865%	7.953%	0.088
364-Day T-Bill	9.156%	9.284%	0.128
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	0.17175	-0.52043	0.10625
12 months	0.25188	-0.48743	0.16150

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar is looking up to upcoming inflation data as it enjoys a boost from higher U.S. bond yields after a report that President Joe Biden will announce today a \$6 trillion budget for 2022. The proposal came as the U.S. economic recovery appears to gain momentum. Data released in the U.S. yesterday showed that 406,000 initial jobless claims were filed throughout the week, a 14-month low, as layoffs subsided. The U.S. dollar index, which measures the greenback against six major peers decreased 0.08% to 89.9749.

Pound held firm at \$1.4185 after a Bank of England policymaker said the central bank was likely to raise rates well into next year, while noting an increase could come earlier if the economy rebounds more quickly than expected. Sterling is the second best-performing G10 currency which is because of markets betting on a quicker reopening of the Britain's economy on the back of its rapid COVID-19 vaccination pace.

Euro stood at \$1.2180 as dovish comments from European Central Bank officials shattered its momentum ahead of its policy meeting on June 10. Nonetheless, the ECB is expected to unveil new economic projections that should confirm a brighter outlook as vaccinations pick up. Executive Board member Fabio Panetta said he sees no justification for slowing purchases, arguing there's no evidence inflation pressures will be sustained, and President Christine Lagarde said it's "far too early" to discuss plans for removing stimulus.

Elsewhere, oil prices pushed 0.2% higher with Brent at \$69.62 per barrel supported by firm U.S. economic data and expectations of a strong rebound in global fuel demand in the third quarter, while concerns eased about the impact of any return of Iranian supplies.

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	1.2050	1.2350
GBP/USD	1.4030	1.4330
USD/AED	3.6610	3.6865
USD/JPY	108.50	111.50

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