



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

## TREASURY MARKET UPDATE 2<sup>ND</sup> NOVEMBER 2021

### DOMESTIC NEWS

The home unit succumbed to further losses versus the greenback in Monday's active session. Augmented dollar demand from energy and manufacturing sectors dominated counters through the day amidst dwindling inflows, leaving the USDKES pair's price action skewed to the upside in what was a one way move. Looking ahead, it remains to be seen whether the depreciation of the home unit will continue, and new trading ranges set. The direction of the USDKES pair remains at the mercy of the larger market sentiment. By close of day, the local unit stood at 111.30/111.50 as compared to Friday's close of 111.20/111.40.

In the meantime, the overall inflation declined to 6.45% in October compared to 6.95% in September, largely because of developments in fuel prices. Fuel inflation declined to 9.60% from 11.10% in September, as a result of declines in pump prices. Food inflation remained elevated at 10.60%, driven by seasonal factors. Separately, the usable foreign exchange reserves remained adequate at USD 9,175 million (5.61 months of import cover). This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover.

#### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	107.85	114.85	109.35	114.35
GBP/KES	148.05	156.05	147.77	156.47
EUR/KES	124.90	132.74	125.64	133.14
AED/KES	28.81	31.81	28.31	32.31

Money Market Rates	Current	Previous	Change
Interbank Rate	5.130%	4.895%	0.235
91-Day T-bill	7.040%	7.020%	0.020
182-Day T-Bill	7.486%	7.417%	0.069
364-Day T-Bill	8.489%	8.355%	0.134
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	0.20100	-0.53571	0.45500
12 months	0.36113	-0.46229	0.81538

(Source: Reuters)

