



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH JUNE 2021

DOMESTIC NEWS

The Kenya shilling edged down on Tuesday due to a small uptick in end month demand for dollars from food, manufacturing and oil importers.

This was a slight departure from the stable shilling that has continued for over a week previously drawing support from hard currency inflows from exports of tea, coffee and horticultural products.

Nonetheless, Kenya's foreign currency reserves are sufficient at \$7.474 billion after the IMF loan disbursement of \$410 million to support Kenya's budget.

World Bank has also announced the wiring of \$130 million to Kenya to support the procurement of COVID-19 vaccines. The elevated level of foreign exchange reserves will enable the country to meet its foreign-denominated debt obligations, deal with short term economic shocks, and support the shilling from decline.

By close of the day, the local unit stood at 107.75/95 per dollar, compared to the day's opening of 107.70/90.

The global COVID-19 pandemic continues to exert pressure on the economy on account of its adverse consequences on tourism and aviation sectors, workers' remittances, and foreign direct investments.

Indicative Forex Rates

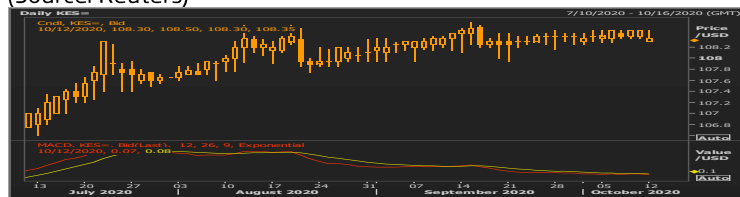
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.35	111.35	104.85	110.85
GBP/KES	145.37	153.37	145.87	152.87
EUR/KES	124.86	131.86	125.36	131.36
AED/KES	27.34	31.36	27.34	31.36

Money Market Rates	Current	Previous	Change
Interbank Rate	4.9506%	5.0986%	0.148
91-Day T-bill	6.860%	7.000%	0.140
182-Day T-Bill	7.317%	7.536%	0.219
364-Day T-Bill	7.729%	8.105%	0.376
Inflation	5.870%	5.7600%	0.110
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.16663	-0.52800	0.11375
12 months	0.24750	-0.48400	0.18038

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar was down in early trade but clung onto its recent gains as markets digested the worsening spread of COVID-19's more virulent Delta strain in several countries leading to renewed lockdown measures in four cities in Australia posing a threat to the global economic recovery while awaiting U.S. jobs data crucial to the direction of the U.S. Federal Reserve's monetary policy.

A strengthening labor market could prompt the Fed to taper assets and hike interest rates earlier than expected, giving the dollar a boost. However, a weaker-than-expected data will leave the greenback in a vulnerable position.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched down 0.01% to 92.030.

Euro is up 0.05% at \$1.1900 on a weak dollar as markets remain pessimistic about the spread of the highly infectious Delta variant and its impact on the global economy. However,

The European Union announced that it has raised 15 billion Euro (USD 17 billion) to finance Europe's recovery from the coronavirus crisis and its consequences.

Pound edged up 0.13% to \$1.3850 as Brexit headlines have been positive of late with the EU seeming to compromise over banning the British meat from Northern Ireland. The UK Government also unveiled plans to help domestic industries, overseeing subsidies to companies, following the Brexit.

Travellers from Britain are facing new restrictions as the contagious delta variant spreads.

Elsewhere, oil was up 0.61% with Brent at \$74.73 per barrel after the Organization of the Petroleum Exporting Countries and allies, OPEC+ delayed its meeting scheduled for tomorrow on production policy as some OPEC+ members including Russia suggested increasing the oil supply while Saudi Arabia was concerned about the global spread of the COVID-19 delta variant despite the growing demand.

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	1.1780	1.2080
GBP/USD	1.3760	1.4060
USD/AED	3.6610	3.6865
USD/JPY	109.50	112.50

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