



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH JULY 2021

DOMESTIC NEWS

The shilling traded sideways against the dollar on Thursday as a dearth in activity which has recently prevailed continued to typify the local foreign currency market. The local unit was confined to a tight range for most of the session as activity on both demand and supply counters evenly matched, to leave the shilling little changed against the greenback. With market players lacking fresh factors to give directional impetus, market chatter alludes to range bound trading in today's session if the slowdown in activity continues. By the close of trade, the home unit stood at 107.85/108.05, same as Wednesday's close.

In other news, The Kenyan government has earmarked 18 state agencies for restructuring as part of IMF's condition for the \$2.34 billion loans granted in April. The National Treasury on Thursday added nine more state agencies to the initial nine slated for privatization. It said this was after a thorough financial assessment that revealed that the enterprises had an outstanding Sh170 billion in government-guaranteed debt as of December 31 last year. According to IMF, the government might use an additional Sh65 billion to bail out cash-strapped parastatals in the current financial year. The exchequer said it was reviewing business models and operating environment of the affected agencies with a view of proposing solutions including combining new borrowing and expenditure trimming for large service providers.

Indicative Forex Rates

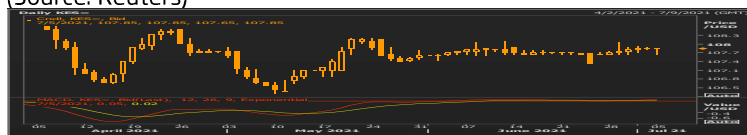
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.45	111.45	104.95	110.95
GBP/KES	144.75	152.75	145.25	152.25
EUR/KES	124.25	131.25	124.75	130.75
AED/KES	27.39	31.39	27.39	31.39

Money Market Rates	Current	Previous	Change
Interbank Rate	4.544%	4.899%	-0.355
91-Day T-bill	6.614%	6.728%	-0.114
182-Day T-Bill	7.101%	7.228%	- 0.127
364-Day T-Bill	7.576%	7.661%	-0.085
Inflation	6.300%	5.900%	0.400
CBR RATE	7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.16225	-0.53057	0.09925
12 months	0.24038	-0.49043	0.17038

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was up on Thursday at 92.453, as concerns over the global economic recovery from COVID-19 continue to mount. Data on Thursday showed the number of Americans filing new claims for unemployment benefits rose unexpectedly last week, an indication that the labour market recovery from the COVID-19 pandemic continues to be choppy.

The GBP/USD pair edged higher to \$1.3790 on Thursday. The European Union (EU) and the UK recently engaged in another tussle over the Brexit issue and additionally challenged the cable that bears the burden of the coronavirus resurgence at home. Even so, traders are cautious ahead of the monthly data dump.

The euro consolidated below the \$1.1850 level on Thursday. The European Central Bank (ECB) set a new inflation target of 2% in the results of its 18-month review on Thursday. The central bank added that it would also tolerate moderate overshoots. The ECB's approach contrasted with that of the U.S. Federal Reserve.

The Japanese Yen edged up to 109.95 on Friday, with the pair holding onto gains from the previous session's 0.8% rally. However, Japan has declared a fresh state of emergency in Tokyo, three weeks before the Olympic Games are due to open in the city, as COVID-19 case numbers continue to rise.

Elsewhere, global oil prices plunged on Friday to \$73.88 per barrel even as data released on Thursday said U.S. fuel inventories fell and demand surged as economic recovery drove consumption.

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	1.1705	1.1860
GBP/USD	1.3610	1.3940
USD/AED	3.6610	3.6860
USD/JPY	108.15	111.90

For more details, contact our Treasury staff Jackline, Loryne, Evelyn and Benson on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913354/55/51. 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.