



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

## TREASURY MARKET UPDATE 9<sup>TH</sup> JUNE 2021

### DOMESTIC NEWS

The Kenyan shilling was unchanged against on Monday the U.S. dollar as foreign currency demand and supply became matched. An uptick in activity across the counters saw the pair oscillate between gains and losses, ending the session within similar ranges. Price action for the USD/KES pair was largely flow driven. Today's trading is expected to be range bound as players look out for new fundamentals to guide the direction of the home unit. By close of the day, the local unit stood at 107.85/05, the same as the previous day's close.

In the meantime, Kenya's domestic debt rose to a record high of KSh3.67 trillion on 28th May 2021 from KSh3.63 trillion on 30th April 2021 according to data from the Central Bank of Kenya (CBK). Treasury bonds increased to KSh2.83 trillion from KSh2.80 trillion, while treasury bills jumped to KSh759 billion from KSh747 billion on 30th April 2021. Overdraft at the Central Bank fell to KSh60.17 billion at the end of May compared to KSh65.84 billion at the end of April this year. 51.45% of the government domestic debt was held by Kenyan commercial banks, 30.59% by pension funds, 6.64% by insurance companies, 5.43% by state corporations, and 5.9% by other investors. The amount of foreign currency reserves held by the Central Bank rose for the first time in three weeks to \$7.51 billion on 3rd June 2021 from \$7.48 billion on 27th May 2021.

#### Indicative Forex Rates

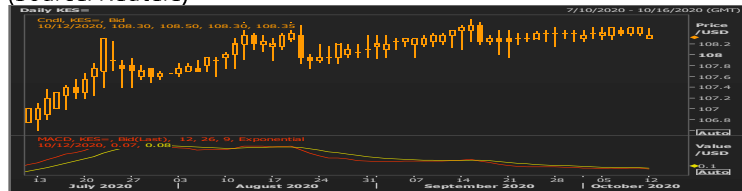
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.45	111.45	104.95	110.95
GBP/KES	148.80	156.80	149.30	156.30
EUR/KES	127.95	134.95	128.50	134.50
AED/KES	27.39	31.39	27.39	31.39

Money Market Rates	Current	Previous	Change
Interbank Rate	4.531%	4.513%	0.018
91-Day T-bill	7.137%	7.139%	0.002
182-Day T-Bill	7.818%	7.865%	0.047
364-Day T-Bill	8.973%	9.156%	0.183
Inflation	5.870%	5.760%	0.110
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya

LIBOR Rates	USD	EUR	GBP
6 Months	0.16063	-0.52500	0.10500
12 months	0.24163	-0.49100	0.16563

(Source: Reuters)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar clung to its recent small bounce on Tuesday at \$90.090 as traders looked to upcoming U.S. inflation data. Investors have piled up bets against the dollar but are growing nervous about whether the beginning of the end of enormous monetary stimulus is nigh - and worry that interest rate rises could end a 15-month dollar downtrend. Some think tapering could be hastened, and the dollar boosted, if U.S. inflation runs hotter than the 0.4% monthly clip that economists expect.

The GBP/USD pair climbed to \$1.4163 on Tuesday. However, concern is growing that the rising case numbers of the COVID-19 Delta variant in the U.K. could mean a delay in the ending of lockdown measures. The measures are currently slated to end on Jun 21. However, Brexit deadlock over the NI protocol and a less likely solution during today's meeting between the European Union, European Commission Vice President and UK's David Frost probe the sterling buyers.

The euro kept neutral on Tuesday at \$1.2184, as investors awaited a European Central Bank policy decision to further gauge the economic recovery from COVID-19 and central banks' potential next steps.

The Japanese Yen traded cautiously on Wednesday at 109.50, after mixed economic data released showed that the economy shrank 1.0% in Q1, against the market consensus at 1.2%.

Elsewhere, global oil prices rose on Wednesday to \$72.59 per barrel on signs of strong fuel demand in western economies, while the prospect of Iranian supplies returning faded as the U.S. secretary of state said sanctions against Tehran were unlikely to be lifted.

#### Indicative Profit Rates on Deposits

	Amounts > 10 million	
	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	1.2030	1.2285
GBP/USD	1.4020	1.4260
USD/AED	3.6605	3.6865
USD/JPY	108.10	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.