



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 02ND MARCH 2021

DOMESTIC NEWS

The Kenya shilling was stable on Monday mainly due to subdued demand for dollars amid shrinking supply of the hard currency as the adverse effects of containment measures to curb COVID-19 infections continue to be felt.

The all-important tourism sector remains severely affected. Covid-19 cases have risen sharply in the last week, raising concerns over the next phase of control measures even as vaccines arrive in the country today.

However, Kenya's IMF program will support the country's fiscal consolidation efforts over a \$2.4billion financing package.

By close of the day, the local unit stood at 109.70/90, same as the day's opening.

Elsewhere, the next meeting of the Monetary Policy Committee (MPC) of the Central Bank of Kenya will be held on Monday, March 29, 2021.

Indicative Forex Rates

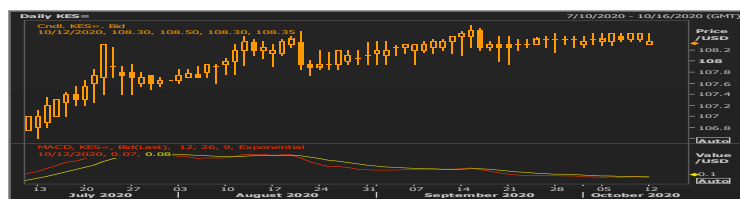
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	106.30	113.30	107.30	112.30
GBP/KES	148.32	156.32	148.82	155.82
EUR/KES	128.47	135.47	128.97	134.97
AED/KES	27.89	31.89	27.89	31.89

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5466%	4.2259%	0.321
91-Day T-bill	6.931%	6.911%	0.020
182-Day T-Bill	7.722%	7.684%	0.038
364-Day T-Bill	9.014%	8.931%	0.083
Inflation	5.780%	5.690%	0.090
CBR RATE	7.000%	7.000%	0.000

Source: Central Bank of Kenya)

LIBOR Rates	USD	EUR	GBP
6 Months	0.20300	-0.51329	0.08275
12 months	0.28375	-0.48014	0.14600

(Source: Reuters)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar stood firm against its peers in early trade on bets of a faster economic recovery and greater tolerance of higher U.S. bond yields. Federal Reserve Chair Jerome Powell has also shown no undue concerns about rising bond yields. The U.S. economic recovery is seen on a firmer ground, already bolstered by prospects of a \$1.9 trillion relief package from the Biden Administration and successful rollouts of COVID-19 vaccinations, and with it the danger of the US economy overheating.

The dollar index last stood at 91.014, having hit a three-week high of 91.139 overnight, with its February peak of 91.600 seen as a possible next target.

The euro dipped to \$1.2020, near its lowest level in almost two weeks, as top officials from the European Central Bank sounded alarm over rises in bond yields. President Christine Lagarde said the ECB will prevent a premature increase in borrowing costs for firms and households.

The gap between U.S. and European bond yields has been widening in a boost to the dollar; the 10-year yield differentials between U.S. Treasuries and German Bunds reached 1.76% on Monday, the highest in a year.

The Pound found support in the final UK manufacturing PMI for February @ \$1.3870, as investors brace for Chancellor Rishi Sunak's spring budget for 2021 tomorrow where he is set to unveil more measures to help support UK's economic recovery. Elsewhere, oil prices fell more than 1% with Brent at \$62.91 per barrel, as investors unwound long positions on concern that OPEC+ may agree to increase global supply in a meeting on Thursday and Chinese demand may be slipping.

Source: Reuters

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	0.05%
1 Month	6.25%	0.75%
3 Months	6.50%	1.00%
6 Months	6.75%	1.25%
1 year	7.00%	1.50%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1880	1.2180
GBP/USD	1.3725	1.4025
USD/AED	3.6605	3.6865
USD/JPY	105.50	108.50

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