



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH AUGUST 2020

DOMESTIC NEWS

The Kenyan shilling continued its weakening trend on Friday morning following persistent dollar demand from importers. Activity was one sided in early trading, as buyers flooded counters to purchase the greenback. The currency later got some reprieve towards the end of day as foreign currency inflows improved. The local currency is likely to be hold within the current range in the near term as healthy dollar inflows from floriculture sector are seen in addition to tightening money market conditions due tax payments provide some support. By close of trade, the local unit stood at 108.00/108.20 as compared to Thursday's close of 107.90/10.

In other news, activity in Kenya's private sector rose at its fastest pace in a year last month on the back of a gradual easing of coronavirus lockdown measures, a survey showed. The Purchasing Managers' Index jumped to 54.2 in July, from 46.6 in the previous month, well above the 50.0 mark that separates growth from contraction. July's level was the highest since June last year. The government cut its GDP growth forecast for this year to about 2.50% due to the pandemic, from an initial 6.00%. In the meantime, the monetary authority was in the market in a bid to mop KES 5 billion at a weighted average rate of 3.900%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.25	111.25	105.25	110.25
GBP/KES	137.05	145.05	137.55	144.55
EUR/KES	123.40	130.40	123.90	129.90
AED/KES	27.83	30.83	27.83	30.83

Money Market Rates	Current	Previous	Change
Interbank Rate	2.342%	2.339%	0.003
91-Day T-bill	6.123%	6.121%	0.002
182-Day T-Bill	6.549%	6.455%	0.094
364-Day T-Bill	7.455%	7.391%	0.064
Inflation	4.360%	4.590%	-0.230
CBR RATE	7.000%	7.000%	0.000

(Source; Central Bank of Kenya)

