



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

## TREASURY MARKET UPDATE 10TH SEPTEMBER 2020

### DOMESTIC NEWS

The home unit closed the day marginally weaker against the U.S dollar as foreign currency demand outmuscled supply. Sturdy foreign currency inflows from various sectors of the economy were picked through quickly by the persistent demand, propelling the USD/KES currency pair to move five-cents higher from the previous day's close. We expect the current trading levels to prevail, as players continue to watch out for any change in fundamentals that might provide the local currency with some impulse, given its recent slide. By close of day, the local unit at 108.50/108.70 as compared to Tuesday's close of 108.45/108.65.

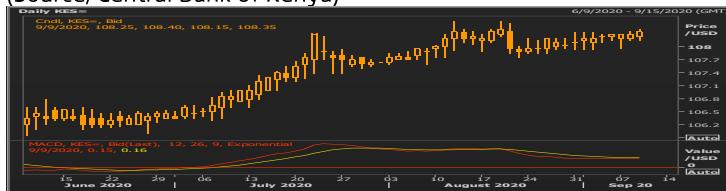
In other news, Kenya has secured a Sh81 billion financing from the World Bank for roads and ICT projects in the North Eastern region. The investment is expected to facilitate trade by enabling installation of border management systems and construction of border posts. The cash will also be spent on laying a fibre optic cable along the entire corridor under the Horn of Africa Gateway Development Project. In addition, the monies will also be utilized to provide basic socio-economic infrastructure for communities living along the corridor. It will also help strengthen institutions and aid emergency response in case of a disaster or catastrophe during the six-year life of the project. World Bank in a statement envisions that the upgraded road, the fibre optic connections, and the provision of basic social services will attract investments.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.00	112.00	106.00	111.00
GBP/KES	136.95	144.95	137.45	144.45
EUR/KES	124.80	131.80	125.30	131.30
AED/KES	28.04	31.04	28.04	31.04

Money Market Rates	Current	Previous	Change
Interbank Rate	2.755%	2.550%	0.205
91-Day T-bill	6.295%	6.273%	0.022
182-Day T-Bill	6.627%	6.625%	0.002
364-Day T-Bill	7.554%	7.507%	0.047
Inflation	4.360%	4.360%	0.000
CBR RATE	7.000%	7.000%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index fell on Wednesday to 93.165 due to increased gains in the euro after the European Central Bank expressed confidence in the E.U.'s recovery outlook, adding impetus to gold's rise. Meanwhile, US President's promise to "stand tough on China", if he is re-elected, keeps the Sino-American tussle on the risk watchers radars while Beijing stands ready to fight.

The GBP/USD pair inched down to \$1.2994 on Wednesday. The U.K. unveiled draft legislation that increased the possibility of a no-deal Brexit in four months' time. The mounting concerns could spell more losses for the pound, which steadied above the six-week low reached during the previous session.

The euro got a boost on Wednesday at \$1.1819 on reports that European Central Bank officials are growing more confident in the bloc's economic outlook. Traders are bracing for a European Central Bank meeting later in the day to gauge policymakers' views on the common currency's recent appreciation and its impact on inflation.

The Japanese yen remains firm around 106.25, immediately following its run-up to 106.30, during the initial hour of Thursday's Tokyo open. The yen recently benefited from Japan's Machinery Order data while risk-positive news also favors the quote's upside.

Elsewhere, global oil prices slid on Thursday to \$37.81 per barrel after data showed that U.S. crude stockpiles unexpectedly rose last week, stoking concern about a sluggish recovery in fuel demand as coronavirus cases continue to surge in many countries.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.25%	1.50%
3 Months	6.50%	1.75%
6 Months	6.75%	2.00%
1 year	7.00%	2.05%

Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1740	1.1890
GBP/USD	1.2810	1.3160
USD/AED	3.6675	3.6775
USD/JPY	105.00	107.50

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