



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH JUNE 2020

DOMESTIC NEWS

Steady and gradual dollar demand in the local currency market, amid a decline in foreign currency inflows, depressed the shilling against the buck. Key counters were muted in early trading, with the pair holding around previous day's closing levels. A slight uptick in foreign currency appetite, later in the day however saw the local unit shed some cents off the USDKES currency pair. We see the home unit trading within these ranges, albeit with a bearish shade as foreign currency demand from the various sectors continues to manifest. By close of trade, the local unit stood at 106.35/55 as compared to Monday's close of 106.25/45.

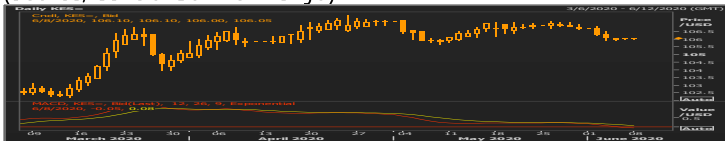
In other news, The Kenyan central bank's Monetary Policy Committee will hold its next rate-setting meeting on June 30, it said on Tuesday. Policymakers left the bank's benchmark lending rate unchanged at 7.00% at their last meeting on May 27. Meanwhile, the Finance Minister will be reading his first budget statement today since assuming the finance docket at a time when the country is reeling from the effects of Covid-19. The impact of the global pandemic has witnessed a decline in economic activity, increased expenditure in the health sector and shrinking revenue collections in the country. In March the government outlined several tax measures to cushion the economy against effects of coronavirus.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.65	109.65	103.65	108.65
GBP/KES	130.85	138.85	131.40	138.40
EUR/KES	116.30	123.30	116.80	122.80
AED/KES	27.40	30.40	27.40	30.40

Money Market Rates	Current	Previous	Change
Interbank Rate	2.587%	2.695%	-0.108
91-Day T-bill	7.325%	7.333%	-0.008
182-Day T-Bill	8.200%	8.248%	-0.048
364-Day T-Bill	9.165%	9.198%	-0.033
Inflation	5.470%	5.620%	-0.150
CBR RATE	7.000%	7.000%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index continued to cede ground against its rivals, slipping to three-month lows on Tuesday to 96.300, but it is unlikely to languish at lows for long as a slower-than-expected global economic recovery will see demand for the world's reserve currency return. The slip in the dollar comes just a day ahead of the Federal Open Market Committee decision, which is expected to culminate in an unchanged rate decision. The Fed on Wednesday is also expected to outline its projections on the economy, inflation and unemployment, all of which should serve as a reminder that the global economy's return to growth will be fraught with struggle.

The GBP/USD pair jumped to \$1.2750 on Tuesday. UK PM Boris Johnson is expected to announce some more guidelines for the easing of the pandemic-led halt in the economic activities. In addition to the updates on how the economy will reopen, markets will observe the Tory leaders' say on China and Brexit.

The euro edged higher to \$1.1342 on Tuesday after data published showed that the Eurozone economy contracted by 3.6% on a quarterly basis in the first quarter. The data has indicated to some investors that the worst of Eurozone's growth fears may be behind it, so long as the coronavirus situation continues to improve going forward.

The Japanese yen dropped to 107.72 during the Tokyo Asian session on Wednesday. Focus today is on US Federal Reserve's monetary policy decision.

Elsewhere, global oil prices fell on Wednesday to \$40.61 per barrel as an industry report showed a rise in crude and fuel inventories in the United States, renewing concerns about oversupply and slumping fuel demand in the world's largest crude consumer.

Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.75%	1.75%
3 Months	7.00%	2.00%
6 Months	7.50%	2.25%
1 year	8.00%	2.50%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1210	1.1370
GBP/USD	1.2650	1.2760
USD/AED	3.6675	3.6775

For more details, contact our Treasury staff Jackline, Loryne and Evelyn on Tel +254 20 5131311, DL +254 20 513 1351/55, Cell +254 709913351/55. 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.



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH JUNE 2020

USD/JPY	108.90	110.80
---------	--------	--------

For more details, contact our Treasury staff Jackline, Loryne and Evelyn on Tel +254 20 5131311, DL +254 20 513 1351/55, Cell +254 709913351/55. 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.