



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH JULY 2020

DOMESTIC NEWS

The shilling weakened against its U.S. counterpart on the last trading day of the week on the back of surging demand. The pair began its climb relatively early as interbank and corporate players took to mild dollar buying, fueling a slight hike in the spot price. With dwindling foreign currency inflows, the local unit ended the day on the back foot. In the new week, in the absence of other mitigating factors, the recently established trough should hold as flows drive the pair's direction. By close of trade, the local unit stood at 107.00/20 as compared to Thursday's close of 106.90/10.

In other news, The Kenya Private Sector Consortium has voiced its support for the ongoing Kenya - US Free Trade negotiations. Composed of the American Chamber of Commerce in Kenya (AMCHAM), the Kenya Private Sector Alliance (Kepsa), the Kenya Association of Manufacturers (KAM) and the Kenya National Chamber of Commerce and Industry (KNCCI), the organizations have endorsed the process. The four private sector organizations see the negotiations as an opportunity for expanded, fair and balanced trade between the two countries, that will catalyze mutual economic growth, they said in a joint statement on Friday. Through the new agreement, Kenya stands to benefit from increased trade in goods and services, increased Foreign Direct Investment (FDI), the transfer of technology, knowledge, and know-how, the consortium notes.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.10	110.10	104.10	109.10
GBP/KES	129.20	137.20	129.70	136.70
EUR/KES	116.85	123.85	117.35	123.35
AED/KES	27.52	30.52	27.52	30.52

Money Market Rates	Current	Previous	Change
Interbank Rate	1.684%	2.363%	-0.679
91-Day T-bill	6.274%	6.546%	-0.272
182-Day T-Bill	6.759%	7.048%	-0.289
364-Day T-Bill	7.700%	7.769%	0.069
Inflation	4.590%	5.330%	-0.740
CBR RATE	7.000%	7.000%	0.000

(Source: Central Bank of Kenya)

INTERNATIONAL NEWS

The U.S. dollar index edged down on Friday to 96.452 as investors looked to looming economic data from around the world and U.S. corporate earnings to gauge whether the markets' guarded optimism on the economic outlook is justified even as the number of COVID-19 patients shows no sign of slowing down. Hopes for a treatment for the virus, in the form of a vaccine or drug, are an added boost to investor hopes. Investors also cheered recent economic data indicating recovery from COVID-19 after seeing historic lows during lockdowns.

The GBP/USD pair gained momentum to \$1.2621 on Friday with hopes of another stimulus from the UK and efforts to tame the coronavirus. Even so, traders await a speech by the BOE Governor Andrew Bailey and British Home Secretary for fresh impetus.

The euro maintained a slow uptrend on Friday to \$1.1329. Looming large for the euro was a planned EU summit on July 17-18, where leaders need to bridge gaps on long-term budget and economic stimulus plans. European Council President proposed a smaller joint EU budget for 2021-27 than previously envisaged to placate thrifty countries in the north.

The Japanese yen is trading flat at 106.84 at the start of Tokyo in the opening hour. The Bank of Japan on Monday appointed a new monetary policy team to tackle coronavirus economic impact.

Elsewhere, global oil prices were down on Monday to \$42.92 per barrel, ahead of OPEC's technical meeting on Wednesday. Investors are expecting OPEC to recommend an easing in existing supply cuts that could reverse oil gains.

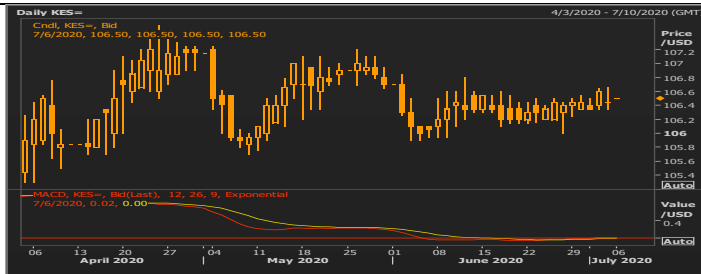
Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.50%	1.50%
3 Months	6.75%	1.75%
6 Months	7.00%	2.00%
1 year	7.25%	2.05%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1220	1.1340
GBP/USD	1.2430	1.2560
USD/AED	3.6675	3.6775
USD/JPY	106.90	108.90

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(Source; Reuters)

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