



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 20TH AUGUST 2020

DOMESTIC NEWS

Steady and gradual dollar demand in the local currency market, amid a decline in foreign currency inflows, depressed the shilling marginally against the buck. Paltry dollar inflows from various sectors were inadequate to topple the foreign currency demand, forcing the USD/KES currency pair further north. In the new day, 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 108.65/108.85 as compared to Tuesday's close of 108.60/108.80.

In other news, the usable foreign exchange reserves remained adequate at USD 9,249 million (5.6 months of import cover) as of August 19. This meets the Central Bank's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover. In the meantime, the monetary authority mopped up KES 10 Billion in excess liquidity at a weighted average rate of 3.117% in the 5-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.15	112.15	106.15	111.15
GBP/KES	138.20	146.20	138.65	145.65
EUR/KES	125.10	132.10	125.60	131.60
AED/KES	28.08	31.08	28.08	31.08

Money Market Rates	Current	Previous	Change
Interbank Rate	2.815%	2.543%	0.272
91-Day T-bill	6.200%	6.123%	0.077
182-Day T-Bill	6.561%	6.549%	0.012
364-Day T-Bill	7.517%	7.455%	0.062
Inflation	4.360%	4.590%	-0.230
CBR RATE	7.000%	7.000%	0.000

(Source; Central Bank of Kenya)

