



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND JANUARY 2020

DOMESTIC NEWS

The home unit closed the Thursday trading session the stronger currency after salvaging some units from the greenback. A drove of foreign currency sellers swung into action and hauled the USDKES pair lower. The sweep over the US dollar was exacerbated by the absence of the usual purchases by major corporates in the market. We expect importers to step up to the plate, taking advantage of the relatively cheap dollar price after sitting on the fence for a few days, which may support the greenback. By close of trade, the local unit stood at 100.90/10 as compared to Monday's close of 101.00/20.

In other news, President Kenyatta who rang the opening bell at the London Stock Exchange (LSE) marking the launch of Kenya's first green bond at the LSE, made the case for innovative and sustainable investments in energy infrastructure. 'We all must think out of the box in terms of energy...to ensure we produce more green energy. This first-ever sovereign green bond of \$41.45 million will be used to build environmentally-friendly student accommodation in Kenya.'. He was speaking at the UK-Africa Investment Summit, the first of its kind hosted by the UK Government. In the meantime, the monetary authority was in the market for the 6-day repo in a bid to mop KES 15 Billion at a weighted average rate of 5.183%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.50	104.50	98.50	103.50
GBP/KES	127.70	135.70	128.20	135.20
EUR/KES	108.40	115.40	108.95	114.95
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	3.868%	3.923%	-0.055
91-Day T-bill	7.232%	7.200%	0.032
182-Day T-Bill	8.167%	8.142%	0.025
364-Day T-Bill	9.842%	9.833%	0.009
Inflation	5.820%	5.560%	0.260
CBR RATE	8.500%	9.00%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar index fell slightly on Tuesday to 97.490, pressured by losses against safe-haven currencies as the first case of the deadly Chinese coronavirus was reported in the U.S. The news followed earlier reports that the coronavirus in China had spread, raising fears that a widespread outbreak could disrupt tourism and hurt economic growth. The disease has so far claimed only six confirmed deaths, but with Chinese authorities confirming that it can be transmitted from person to person it fears of an epidemic.

The GBP/USD pair rose to \$1.3060 on Tuesday on bullish labor market data showing better-than-expected U.K. wage growth and an unchanged unemployment rate at 3.8% in November. The data, however, did little to dampen prospects for an imminent rate cut by the Bank of England at its upcoming meeting on January 30.

The euro fell to \$1.1090 on Tuesday as better January German and eurozone ZEW data signaled that investor confidence was on the mend ahead of a crucial European Central Bank meeting later this week. Some have suggested that euro will continue to lose ground against the dollar this year amid expectations that the European Central Bank will likely cut rates in September.

The Japanese yen is currently trading at 110.00, while entering the Asian session on Wednesday. The pair registered heavy losses as news of China's virus outbreaks gone viral. Also, contributing to the risk-off was the beginning of the US President Donald Trump's impeachment hearing, Bank of Japan meeting and the International Monetary Fund's economic growth forecast.

Elsewhere, global oil prices eased on Wednesday to \$64.35 per barrel, extending declines as the International Energy Agency forecast a market surplus in the first half, helping ease concerns about disruptions that have slashed Libya's crude output.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.50%	1.25%
1 Month	7.00%	1.75%
3 Months	8.00%	2.00%
6 Months	8.50%	2.25%
1 year	9.00%	2.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1020	1.1105
GBP/USD	1.2980	1.3090
USD/AED	3.6675	3.6775
USD/JPY	109.50	110.70

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