



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

## TREASURY MARKET UPDATE 22<sup>ND</sup> JUNE 2020

### DOMESTIC NEWS

The shilling traded with a mild negative bias versus the U.S dollar on Friday, eroding part of the gains garnered earlier on in the week. The day's trading was mostly one sided in favor of the buck as dollar buyers took advantage of the relatively lower prices amidst dwindling foreign currency inflows. In today's session, we expect that the USD/KES currency pair will trade within the current ranges as players continue to seek out fresh factors that are likely to sway the market in favor of either currency. By close of trade, the local unit stood at 106.25/45 as compared to Thursday's close of 106.20/40.

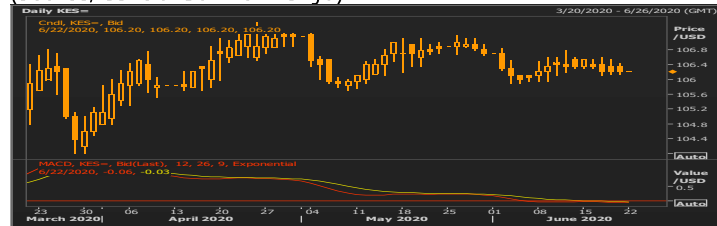
In other news, President Uhuru Kenyatta has reiterated that bilateral trade deal between Kenya and the US will not undermine the African Continental Free Trade Agreement (AfCFTA). The President says a new trade deal between Kenya and the US will be a win for Africa. He highlighted that a new deal will assist the continent by creating a reference upon which other African nations will negotiate bilateral arrangements within the AfCFTA framework going forward. The President said an FTA (free trade agreement) between the US and Kenya would reposition Kenya as a gateway of American investments into Africa. Kenya will be the first under the new AfCFTA so it's going to be a trailblazer in this.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.85	109.85	103.85	108.85
GBP/KES	127.80	135.80	128.30	135.30
EUR/KES	115.65	122.65	116.15	122.15
AED/KES	27.45	30.45	27.45	30.45

Money Market Rates	Current	Previous	Change
Interbank Rate	4.346%	3.477%	0.869
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 slipped back on Friday to 97.352, as an increase of Covid-19 infections increased worries about a potential second wave. An uptick in coronavirus cases in many U.S. states, along with rising hospitalizations, have prompted worries that some of the social distancing measures that have been lifted as the states reopened may have to be reintroduced.

The GBP/USD pair continued to perform poorly on Friday at \$1.2452 as it failed to derive any relief from the improvement in the Brexit negotiation mood music and from the reduced likelihood of the Bank of England implementing negative rates anytime soon if at all.

The euro was down on Friday to \$1.1212 as questions grow about the political viability of the European Union's stimulus plan. The bloc's 27 national heads got together on Friday to discuss the European Commission's proposal to borrow 750 billion euros against the EU budget to try and boost the region's recovery from its unprecedented economic downturn. There were major disagreements over the size of the recovery package, and whether two-thirds of it should be paid to member states in grants as the commission proposes.

The Japanese yen is taking bids to 106.85 in the Tokyo Asian session on Monday. The yen struggles for a clear move as traders seemed to be confused over the risk-safe natures of the respective currencies amid broad risk-off mood.

Elsewhere, global oil prices nudged higher on Monday to \$42.22 per barrel on tighter supplies from major producers, but a record rise in global coronavirus cases raised concerns.

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	1.1150	1.1260
GBP/USD	1.2370	1.2450
USD/AED	3.6675	3.6775
USD/JPY	106.10	108.05

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