



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 24TH JUNE 2020

DOMESTIC NEWS

The domestic unit strengthened against the greenback on account of easing dollar demand pressure. Market players witnessed subdued activity in the local FX counters, as dollar demand continued to ease the market and absorb any supply, decreasing currency volatility. In the absence of any major market moving factors, the USD/KES pair remains at the mercy of broader market flows to determine its near term direction. By close of trade, the local unit stood at 106.35/55 as compared to Monday's close of 106.30/50.

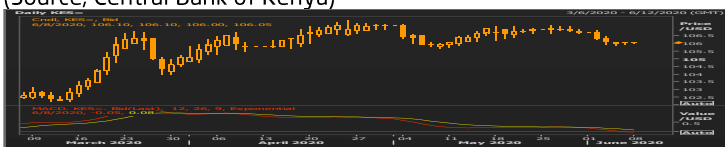
In other news, The tourism ministry has issued safety protocols for structured full reopening of the sector's activities in the country reeling from the impact of the Covid-19 pandemic. The measures for the 'New Normal', according to Tourism Cabinet Secretary Najib Balala is to inculcate institutional operational and staff preparedness to ensure service provision meets World Health Organisation (WHO) guidelines and Ministry of Health measures aimed at preventing the spread of Covid-19. Tourism and hospitality practitioners will have to seek valid relevant Tourism Regulatory Authority (TRA) license, health and county licenses and obtain permits or stickers signifying compliance with the provision of protocols to be considered for reopening.

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	4.572%	4.346%	0.226
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 wobbled before retreating on Tuesday to 96.590. Investors increased their risk appetite earlier in the day after Europe and the U.S. released positive data. But markets are keeping a wary eye on the ever-increasing number of COVID-19 cases and the impact on the global economic recovery. Meanwhile, investors are also continuing to monitor simmering U.S.-China tensions. Although White House trade advisor Peter Navarro quickly clarified his comment that its trade deal with China was "over" by stressing that phase one of the deal was still intact, the confusion still sent markets on a wild rollercoaster ride.

The GBP/USD pair eased to 1.2512 on Tuesday but failed to keep the gains amid doubts over the easing of the UK's coronavirus lockdown restrictions. Also weighing on the pair are worries over the next week's key Brexit talks.

The euro had a good run on Tuesday to \$1.1316. A big beat on estimates would reinforce market expectations for faster recovery in the Eurozone's largest economy and may strengthen the bid tone around the shared currency.

The Japanese yen takes a U-turn to 106.53 as trading in Tokyo begins for Wednesday. Tokyo Governor crossed wires, while warning over Japan's further easing of lockdown restrictions. The comments rolled out as Japanese diplomats' debate over how to step further away from the virus-led lockdown.

Elsewhere, global oil prices were down on Wednesday morning to \$42.42 per barrel with investors digesting a second consecutive week of increases in the crude oil supply.

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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1210	1.1370
GBP/USD	1.2650	1.2760
USD/AED	3.6675	3.6775
USD/JPY	108.90	110.80

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