



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

## TREASURY MARKET UPDATE 24TH SEPTEMBER 2020

### DOMESTIC NEWS

It was a quiet start to the Wednesday trading session in the local currency market with the shilling ending the day little changed versus its American counterpart. The home unit held ground even as demand for the buck from players in the corporate and energy sector was seen through the day. Well matched flows led the pair to close at the same level as previous close. In the new day, we expect the local currency to continue trading within the now familiar ranges in the absence of any changes in fundamentals or flows. By close of day, the local unit at 108.30/108.50 the same as Tuesday's close.

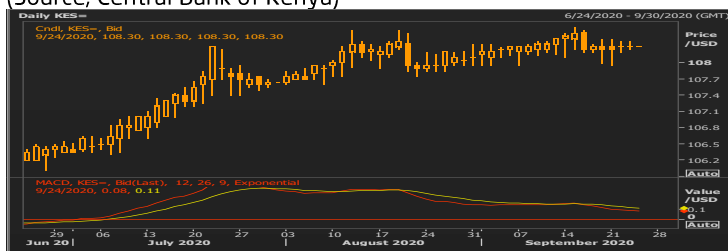
In other news, President Uhuru Kenyatta has underscored the importance of the housing and construction sector in the post Covid-19 recovery plans. Uhuru said while it is one of the sectors that has been impacted adversely by the economic slowdown, they have potential to rebound quickly. He said that the affordable housing agenda should remain front and center in the economic recovery debate due to the need to provide decent housing and essential infrastructure to all residents, especially the vulnerable populations living in slums and informal settlements. In the meantime, the monetary authority was in the market for KES 20 Billion at a weighted average rate of 7.866% in the 7-day term reverse repos.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.95	111.95	105.95	110.95
GBP/KES	133.80	141.80	134.30	141.30
EUR/KES	122.90	129.90	123.40	129.40
AED/KES	28.03	31.03	28.03	31.03

Money Market Rates	Current	Previous	Change
Interbank Rate	3.252%	2.983%	0.269
91-Day T-bill	6.273%	6.267%	0.006
182-Day T-Bill	6.720%	6.689%	0.031
364-Day T-Bill	7.571%	7.564%	0.007
Inflation	4.360%	4.360%	0.000
CBR RATE	7.000%	7.000%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index inched down on Wednesday to 94.422, over U.S. Federal Reserve officials' warnings over the U.S. economic recovery from COVID-19 and disappointing data from the U.S. A slew of Fed officials stressed the need for more fiscal stimulus to sustain the recovery, as investors continue to lose hope that the U.S. Congress would pass the latest support measures. Alongside the Fed's warning, data released showed that U.S. business activity slowed in September and several Fed policymakers warned that further government aid is needed to bolster the economy.

The GBP/USD traded water above \$1.2700 on Wednesday, as investors fretted over the UK's nascent economic recovery after Prime Minister Boris Johnson's government announced activity restriction to contain the virus spread. Meanwhile, renewed optimism on a post-Brexit transition trade deal after the European Union Chief Brexit Michel Barnier said, "We remain determined to strike a Brexit deal."

The euro fell to \$1.1655 on Wednesday. The Markit Composite Purchasing Managers Index (PMI) and the services PMI saw falls in September. Fears of a second wave of COVID-19 in Europe also dampened investors' enthusiasm.

The Japanese yen was up to 105.42 on Thursday as The Bank of Japan minutes revealed that a few members said prolonged damage to economy from the pandemic could lead to solvency problems for some firms, affect financial system stability.

Elsewhere, global oil prices were down on Thursday to \$41.28 per barrel after a lower-than-expected U.S. demand.

### Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.25%	1.50%
3 Months	6.50%	1.75%
6 Months	6.75%	2.00%
1 year	7.00%	2.05%

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1550	1.1710
GBP/USD	1.2620	1.2970
USD/AED	3.6675	3.6775
USD/JPY	104.10	106.80

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