



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

## TREASURY MARKET UPDATE 24<sup>TH</sup> JULY 2020

### DOMESTIC NEWS

The Kenya shilling closed the day stronger against the U.S. dollar at the end of Thursday's trading owing to improved foreign currency inflows. Foreign currency inflows from the agricultural and telecommunications sector came to the aid of the local currency outclassing the bantam appetite from importers. That said, the USDKES pair movement is likely to remain flow-based, as demand and supply forces battle for supremacy in the local FX scene. By close of trade, the local unit stood at 107.95/05 as compared to Wednesday's close of 108.15/35.

In other news, Kenya and 71 other countries eligible for the Rapid Credit Facility (RCF) from the International Monetary Fund (IMF) now have a leeway to borrow beyond their annual limits. This is after the IMF's executive board approved a temporary increase in the annual limits on overall access to resources in the General Resources Account and the Poverty Reduction and Growth Trust on Thursday. The facility is advanced to low-income countries facing urgent balance of payment needs. It mainly focuses on the reduction of poverty levels as well as enhancing growth objectives by providing high levels of concessions unlike market rates. IMF noted that the COVID-19 pandemic had triggered a uniquely severe synchronized shock across the global economy and an ensuing surge in requests for financial support under the Fund's emergency financing instruments.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.10	110.10	104.10	109.10
GBP/KES	129.20	137.20	129.70	136.70
EUR/KES	116.85	123.85	117.35	123.35
AED/KES	27.52	30.52	27.52	30.52

Money Market Rates	Current	Previous	Change
Interbank Rate	2.315%	2.286%	0.029
91-Day T-bill	6.112%	6.011%	0.101
182-Day T-Bill	6.440%	6.524%	-0.084
364-Day T-Bill	7.370%	7.464%	-0.094
Inflation	4.590%	5.330%	-0.740
CBR RATE	7.000%	7.000%	0.000

(Source: Central Bank of Kenya)

### INTERNATIONAL NEWS

The U.S. dollar index continued its slide on Thursday settling at 94.585, with the U.S. struggling to curb its surging number of COVID-19 cases. Combined with the looming expiry of some stimulus measures at the end of July as well as a record number of unemployment claims, investors are casting doubt over the U.S.' recovery prospects. Meanwhile, the U.S-China tensions continue to simmer, with China vowing retaliation for the U.S. order for its Houston consulate to close by Friday. But a flight carrying an unspecified number of U.S. diplomats to Shanghai departed on Wednesday evening.

The GBP/USD pair clung to \$.2755 on Thursday citing that the UK Finance Minister is considering plans for setting up a new infrastructure bank to provide funds for capital projects.

The euro remained a tower of strength on Thursday at \$1.1590 in the afterglow of Europe's leaders agreeing on a coronavirus rescue package. The focus now is on July's private sector PMIs from Germany.

The Japanese yen was quiet around the low 107s until risk aversion spiked and sent the yen on a surge. Sino/US relations have flared up with the US Justice Department saying that four individuals had been charged with visa fraud related to their status as members of Chinese military forces.

Elsewhere, global oil prices edged up on Friday to \$43.46 per barrel over demand concerns stemming from rising coronavirus cases and U.S.-China tensions kept a lid on prices.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	1.25%
1 Month	6.50%	1.50%
3 Months	6.75%	1.75%
6 Months	7.00%	2.00%
1 year	7.25%	2.05%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.1390	1.1520
GBP/USD	1.2470	1.2670
USD/AED	3.6675	3.6775
USD/JPY	106.50	108.80

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(Source; Reuters)

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