



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH JUNE 2020

DOMESTIC NEWS

Wednesday's trading saw the USD/KES pair drift higher on account of improved U.S dollar appetite. The pair began its climb relatively early as interbank and corporate players took to mild dollar buying, fueling a slight hike in the spot price. With dwindling foreign currency inflows, the local unit ended the day on the back foot. By close of trade, the local unit stood at 106.35/55 as compared to Tuesday's close of 106.25/45.

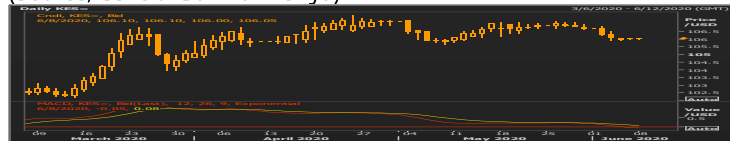
In other news, China's pledge to relieve the debt burden owed to it by some emerging market governments could ease near-term liquidity pressures in nations struggling with the fallout from the coronavirus pandemic, Fitch Ratings said on Wednesday. Kenya, the Maldives, Ethiopia, Cameroon, Pakistan, Angola, Laos, Mozambique, Congo and Zambia are among countries with a significant share of their debt owed to China and eligible for debt relief. China accounted for more than a quarter of the total external debt of DSSI-eligible countries, the International Institute of Finance has estimated, making it the single largest bilateral creditor to those countries. Some, including Kenya, have said they will not seek debt relief, fearing it could harm their ability to tap capital markets, while others, such as Angola, may agree more extensive relief than is envisaged under the initiative.

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 bounced sharply from session lows on Wednesday to 96.07 on renewed safe-haven demand on fears that the progress over reopening the economy could be rolled back as coronavirus cases continue to mount. Signs of a sharp uptick in Covid-19 cases in the U.S. and abroad have put risk assets on the backfoot, with many fearing a second wave of infections could trigger fresh lockdown measures to contain the outbreak.

The GBP/USD pair dropped to \$1.2404 on Wednesday. The sterling failed to cheer the recent Brexit-positive signs amid the broad greenback strength backed by risk-off sentiment. Furthermore, no deadline for the UK-US trade deal talks makes it more lucrative versus Japan's six-week time limit.

The euro dropped on Wednesday to \$1.1250 after the US said it's considering imposing new tariffs on \$3.1 billion of imports from the EU and the UK, in light of the aerospace subsidies. However, the shared currency could see some respite from the expectations on the European Union recovery fund.

The Japanese yen seesaws around the 107.20, amid the Tokyo open on Thursday; overall risk-off sentiment has been propelling the quote off-late. Virus fears, trade war and many more to weigh the risks.

Elsewhere, global oil prices slipped on Thursday to \$40.01 per barrel extending losses of more than 5% in the previous session, weighed down by record high U.S. crude inventories and worries that a rapid resurgence in COVID-19 cases could choke a revival in fuel demand.

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	1.1210	1.1370
GBP/USD	1.2650	1.2760
USD/AED	3.6675	3.6775
USD/JPY	108.90	110.80

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