



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 28TH SEPTEMBER 2020

DOMESTIC NEWS

The local unit treaded water on Friday, in another low-key trading session where demand and supply counters remained balanced. The session saw recent dollar demand from importers ease, allowing the USDKES currency pair to remain unchanged by close of business. Ahead of the new week, further depreciation of the home unit seems plausible as the local market continues to witness steadily growing foreign currency demand. By close of day, the local unit stood at 108.40/108.60 the same as Thursday's close.

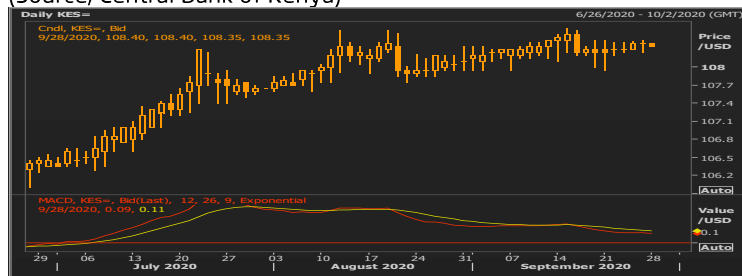
In other news, The Central Bank of Kenya usable foreign exchange reserves remained adequate at USD 8,627 million (5.23 months of import cover) as at September 24. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover. Across the pond, The Treasury bills auction of September 24 received bids totaling KSh 7.1 billion against an advertised amount of KSh 24.0 billion, representing a performance of 29.7 percent. Interest rates on the Treasury bills increased marginally. In the meantime, the monetary authority was in the market for KES 10 Billion at a weighted average rate of 7.700% in the 14-day reverse repos.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	105.00	112.00	106.00	111.00
GBP/KES	134.60	142.60	135.10	142.10
EUR/KES	122.80	129.80	123.30	129.30
AED/KES	28.04	31.04	28.04	31.04

Money Market Rates	Current	Previous	Change
Interbank Rate	3.423%	3.333%	0.090
91-Day T-bill	6.309%	6.273%	0.036
182-Day T-Bill	6.773%	6.720%	0.153
364-Day T-Bill	7.690%	7.571%	0.119
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 hovered near a two-month peak at 94.745 against a basket of currencies on Friday, as doubts about recovery persisted ahead of a barrage of economic data and political developments in the United States. Investors now look to the first U.S. Presidential debate on Tuesday as the election in early November has started to loom large. Few investors now expect the U.S. Congress to pass any stimulus package, seen as vital to support the pandemic-stricken economy before the election. But there are growing worries the economic recovery is slowing as many of the stimulus programmes have expired, curbing consumer spending.

The GBP/USD pair stood at \$1.2767 on Friday, benefitting from headlines suggesting brighter odds of success for the key Brexit talks.

The euro dropped to \$1.1612 on Friday on the back of softening macro recovery and a return to increased restrictions. The currency pair may extend gains if the European stocks open the day on a positive note. However, the gains will likely be reversed if the European Central Bank President Lagarde expresses concern regarding the euro's strength during her speech today.

The Japanese yen started at the 105.00 level early Monday. The ongoing stimulus sentiment, coronavirus updates and various data inputs will be in the driving seat for the week ahead.

Elsewhere, global oil prices dipped to \$41.69 per barrel on Monday as rising coronavirus cases upset hopes for a smooth recovery in fuel demand, with the main crude benchmarks on track for their first monthly falls in multiple months after last week's slips.

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	1.1560	1.1740
GBP/USD	1.2610	1.2980
USD/AED	3.6675	3.6775
USD/JPY	104.20	106.70

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