



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

## TREASURY MARKET UPDATE 29<sup>TH</sup> JUNE 2020

### DOMESTIC NEWS

The Kenya shilling was little changed against the greenback on Friday, as supply and demand somewhat evenly matched. Dwindled corporate dollar demand was well matched by foreign currency inflows from various sectors of the economy leaving the USDKES currency slightly changed. The local unit seems rather comfortable in the current ranges and is expected to hold within the same band through the day in the absence of any new market moving information. By close of trade, the local unit stood at 106.30/50 as compared to Thursday's close of 106.35/55.

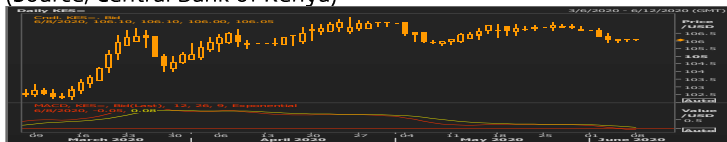
In other news, Kenya's current account deficit could narrow from the forecast of 5.8% of GDP for this year, thanks to growing farm exports and a rebound in cash sent home by citizens living abroad, the central bank's governor said on Friday. In addition, Kenya's economy could fare better than expected in the face of the coronavirus crisis. The economy has been battered by the coronavirus, with tourism and small and medium-size businesses hit particularly hard. But tea exports, a key source of hard currency, rose 15% in May from May a year ago, the central bank governor, Patrick Njoroge, told an online news conference. Exports of flowers, fruits and vegetables grew by a third the same month. Remittances – cash sent home by Kenyans living abroad – recovered to \$258 million in May, from \$208 million in April.

### 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	3.262%	3.887%	-0.625
91-Day T-bill	6.700%	7.089%	-0.389
182-Day T-Bill	7.395%	7.739%	-0.344
364-Day T-Bill	8.194%	8.667%	-0.473
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 maintained its strong tone on Friday at 97.420 with traders seeking out the safe haven as the number of coronavirus cases in the U.S. continue to grow. Economic data pointed to an economic recovery in the U.S., with another small drop in jobless claims and a substantial rise in durable goods orders. However, this has tended to be overshadowed by news of a record number of new coronavirus cases throughout the U.S.

The GBP/USD pair plunged to \$1.2408 on Friday, after German Chancellor Angela Merkel warned that the UK must "live with the consequences" of leaving the EU, and PM Johnson threatened to walk away from talks afterwards. The UK will publish money data from May. Representatives from both economies will resume talks this Monday.

The euro enjoyed a moderate impulse on Friday at \$1.1211 following the comments of ECB president Christine Lagarde. Lagarde affirmed that the world may have already passed the worst of the coronavirus crisis and that central banks have responded massively to the challenge.

The Japanese yen rose to 107.24 as markets in Tokyo open for trading on Monday. Japan's Retail Trade and Large Retailers' Sales offered immediate direction to the pair, broad risk aversion wave, backed mainly by the coronavirus (COVID-19), dominating the trading sentiment off-late.

Elsewhere, global oil prices slid for a second straight session on Monday to \$40.19 per barrel as coronavirus cases rose in the United States and other places, leading some countries to resume partial lockdowns that could hurt 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	1.1160	1.1290
GBP/USD	1.2380	1.2480
USD/AED	3.6675	3.6775
USD/JPY	106.40	108.70

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