



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH JULY 2020

DOMESTIC NEWS

The Kenyan shilling firmed on Wednesday supported by dollar inflows from various sectors. Foreign currency inflows from the agricultural and telecommunications sector came to the aid of the local currency outclassing the bantam appetite from importers. Market chatter alludes to range bound trading, as investors look out for fresh factors to offer price direction. By close of trade, the local unit stood at 107.60/80 as compared to Tuesday's close of 107.75/95.

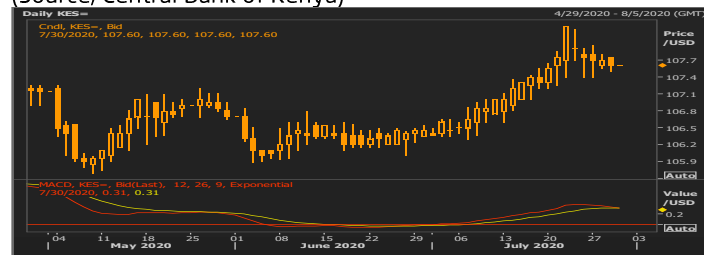
In other news, Kenya's central bank held its benchmark lending rate at 7.0% for the third time in a row on Wednesday, saying its current easing stance was having the desired effect. Like other central banks around the world, policymakers in the East African nation adopted a range of easing measures at the onset of the coronavirus crisis in March and April, to try to limit the damage to the economy. "The package of policy measures implemented since March were having the intended effect on the economy," the bank's Monetary Policy Committee (MPC) said in a statement, referring to a total of 125 basis points cut to the benchmark lending rate and a cut in the cash reserves banks are required to hold. Consequently, the current account deficit is projected at about 5.1 per cent of GDP in 2020.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	104.30	111.30	105.30	110.30
GBP/KES	135.85	143.85	136.40	143.40
EUR/KES	123.35	130.35	123.90	129.90
AED/KES	27.85	30.85	27.85	30.85

Money Market Rates	Current	Previous	Change
Interbank Rate	2.349%	2.220%	0.129
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)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was mired at a more than two-year low on Wednesday at 93.275 as the Federal Reserve kept interest rates near zero and vowed to use all available tools to support the recovery from the most severe economic downturn "in our lifetime", Fed Chairman Jerome Powell said at a virtual press conference on Wednesday. The Fed also tied economic recovery to an end to the COVID-19 pandemic, with Powell warning that there are signs that increases in the number of COVID-19 cases are starting to weigh on economic activity. Meanwhile, Republicans and Democrats continue debates over the country's latest stimulus measures.

The GBP/USD eased to \$1.2985 on Wednesday as Brexit worries weighed on the sterling. To add onto this coronavirus is also challenging the UK. In its latest efforts, the government is expanding its Covid-19 rescue loan scheme to cover small businesses on the edge of collapse.

The euro was under pressure on Wednesday at \$1.1777 after the release of the decision from the Federal Reserve.

The Japanese yen takes rounds to 105.00 as Tokyo opens for Thursday's trading. Bank of Japan Deputy Governor said that they won't rule out a deepening negative rate if the central bank eases further.

Elsewhere, global oil prices were mixed on Thursday at \$44.12 per barrel with prices rising after the U.S. Energy Information Administration recorded a huge draw in crude oil inventories. But gains were capped by the U.S. Congress' squabble over the latest COVID-19 stimulus package as well as rising infections globally.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	
	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1650	1.1820
GBP/USD	1.2840	1.3030
USD/AED	3.6675	3.6775
USD/JPY	104.20	106.70

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