



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH MARCH 2020

DOMESTIC NEWS

The shilling gained ground against the greenback during Wednesday's session, as demand for the buck dissipated. The local currency's upbeat momentum remained sound for most of the session underpinned by the intensifying sentiments favoring the local unit resulting to dollar selloff by interbank and corporate players. In the coming days, the USDKES currency pair is expected to continue basking in its latest victory run, if the lack of foreign currency demand persists as market remains to be flow driven. By close of trade, the local unit stood at 102.40/60 as compared to Tuesday's close of 102.55/75.

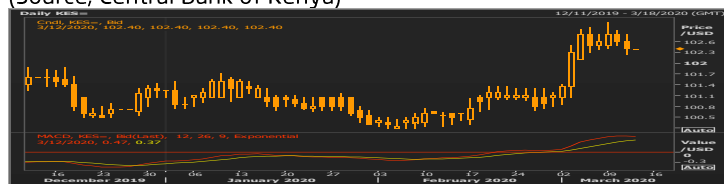
In other news, the government has set aside 300 million shillings to deal with the possible outbreak of Coronavirus in the country. Further, the government is mobilizing more funds from the donor partners. Appearing before a Departmental Committee on Health, in a joint sitting with the Senate Standing committee on Health, Health Cabinet Secretary Mutahi Kagwe assured the country that so far no case had been reported and all the 27 suspected cases tested negative. Kagwe reiterated that surveillance at all the entry points had been heightened with 437,922 people having been screened since 20th January 2020. The CS said despite the measures put in place, Kenyans too have a responsibility to play by following the instructions given by health experts.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.95	105.95	99.95	104.95
GBP/KES	127.30	135.30	127.80	134.80
EUR/KES	112.20	119.20	112.70	118.70
AED/KES	26.39	29.39	26.39	29.39

Money Market Rates	Current	Previous	Change
Interbank Rate	4.685%	3.439%	1.246
91-Day T-bill	7.310%	7.315%	-0.005
182-Day T-Bill	8.186%	8.235%	-0.049
364-Day T-Bill	9.312%	9.500%	-0.188
Inflation	6.370%	5.780%	0.590
CBR RATE	8.250%	8.500%	-0.250

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index remained lower on Wednesday at 96.360 as investor fears were realized after the World Health Organization declared the novel coronavirus a global pandemic. In addition, U.S. President Donald Trump announced a ban on travels to the U.S. from Europe for 30 days starting on Friday in an attempt to stop the virus from spreading further. The U.S. move comes on top of a string of increasingly dire news on the coronavirus that has sent world markets into turmoil.

The GBP/USD pair went back and forth during the trading session on Wednesday after the Bank of England did a 50-basis point rate cut to 0.25% settling at \$1.2920. In the meantime, the spread of the coronavirus has overshadowed stimulus moves by global finance institutions to offset the impact of the virus, with Bank of England slashing rates by half a point earlier today. The U.K government, meanwhile, revealed a 12 billion-pound (\$15.43 billion) fund to combat the coronavirus.

The euro dropped to \$1.1290 on Wednesday. Investors are also waiting to see how aggressively the European Central Bank (ECB) moves when it meets later on Thursday. Investors expect the ECB will cut its main deposit rate by 10 basis points.

The Japanese yen fell to 104.36 early Thursday as yen draws bids, tracking losses in the equities and could suffer deeper declines if the much-awaited US fiscal stimulus announcement is low on details and falls short of expectations.

Elsewhere, global oil prices sank again on Thursday to \$33.88 per barrel along with the broader market after the United States banned travel from Europe.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.50%	1.25%
1 Month	7.00%	1.75%
3 Months	8.00%	2.00%
6 Months	8.25%	2.25%
1 year	9.00%	2.50%

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1240	1.1380
GBP/USD	1.2805	1.2970
USD/AED	3.6675	3.6775
USD/JPY	103.10	104.30

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