



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH APRIL 2020

DOMESTIC NEWS

The local currency continued to strengthen against the U.S. dollar on the back of diminished dollar demand. The shilling made strides against the greenback having found reprieve from reduced dollar appetite from importers, while foreign currency inflows remained steady. We expect increased activity in the local FX market in the near term, with further depreciation of the local currency against the dollar still on the cards. By close of trade, the local unit stood at 105.50/20 as compared to Wednesday's close of 105.80/00.

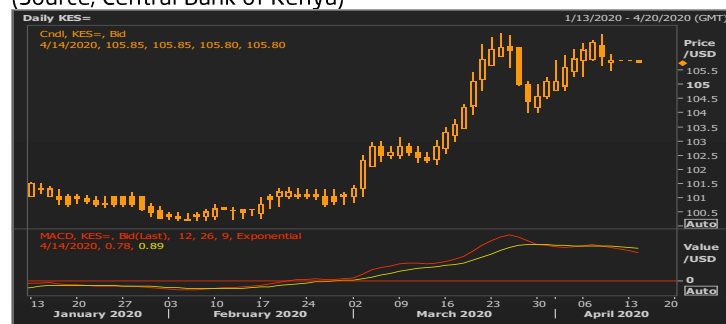
In other news, Parliament is set to hold session on Tuesday 14th April 2020 and debate the Tax amendments proposed. Included in these amendments is the introduction of WHT to Infrastructure and Green Bonds which are currently exempt, thus directly affecting the Fixed Income space. Meanwhile, The IFB1/2020/9Yr results came out at 12.051% with bids accepted being KES 39.00 billion. In the meantime, the monetary authority was in the market for the 7-day repo in a bid to mop KES 20 billion at a weighted average rate of 6.676%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.60	109.60	103.60	108.60
GBP/KES	129.25	137.25	129.75	136.75
EUR/KES	112.55	119.55	113.10	119.10
AED/KES	27.39	30.39	27.39	30.39

Money Market Rates	Current	Previous	Change
Interbank Rate	5.323%	4.951%	-0.372
91-Day T-bill	7.220%	7.240%	-0.020
182-Day T-Bill	8.145%	8.118%	0.027
364-Day T-Bill	9.049%	9.045%	0.004
Inflation	6.060%	6.370%	-0.310
CBR RATE	7.250%	8.250%	-1.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was down on Thursday to 99.183 as the COVID-19 pandemic investors prepare for a difficult earning season. President Donald Trump said on Monday his administration was close to completing a plan to re-open the U.S. economy, even though some state governors have signalled that the decision on when to restart businesses lay with them. This comes as the U.S. announced on Thursday that over 16 million people claimed unemployment since March 21.

The GBP/USD pair gained to \$1.2563 on Thursday as British Prime Minister Boris Johnson is making "very good progress" in his recovery from COVID-19. Johnson was moved out of intensive care after three nights on Thursday.

The euro made strides on Thursday to \$1.0940 as measured optimism stemming from signs of peaking in the coronavirus outbreak. With the European data docket empty, the currency pair is likely to continue tracking the broader market sentiment.

The Japanese yen is on the offer on Tuesday at 107.57 with the anti-risk yen drawing bids ahead of the China data and corporate earnings season, which is likely to show the true extent of the impact of the coronavirus outbreak on the economy.

Elsewhere, global oil prices rose on Tuesday to \$32.27 after the main U.S. energy forecasting agency predicted shale output in the world's biggest crude producer would fall by the most on record in April, adding to cuts from other major producers. OPEC Countries, along with Russia and other producing countries - known as OPEC+ - agreed to cut output by 9.7 million barrels per day in May and June.

Indicative Profit Rates on Deposits		
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.50%	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	1.0850	1.1130
GBP/USD	1.2500	1.2620
USD/AED	3.6675	3.6775
USD/JPY	106.80	108.90

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