



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

## TREASURY MARKET UPDATE 15<sup>TH</sup> MAY 2020

### DOMESTIC NEWS

The home unit succumbed to further losses versus the greenback in Thursday's fairly active session. Augmented dollar demand from energy and manufacturing sectors dominated counters through the day amidst dwindling inflows, leaving the USDKES pair's price action skewed to the upside in what was a one way move. In today's session, it remains to be seen whether the depreciation of the home unit will continue and new trading ranges set. By the close of trade, the local unit stood at 106.80/107.00 as compared to Wednesday's close of 106.45/106.55.

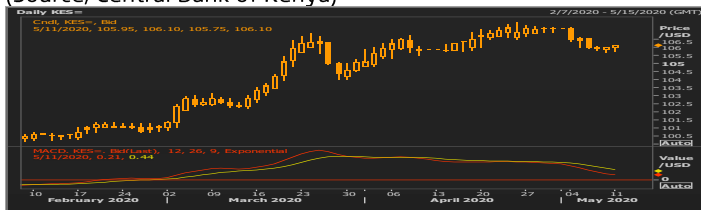
In other news, The Kenyan central bank's Monetary Policy Committee will hold its next rate-setting meeting on May 27, it said on Friday. At its April meeting, the bank cut its benchmark lending rate to 7.0% from 7.25%, saying action to cushion the impact of the coronavirus was having an effect, but the bank needed to do more, due to the adverse economic outlook.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.70	109.70	103.70	108.70
GBP/KES	126.90	134.90	127.40	134.40
EUR/KES	111.30	118.30	111.80	117.80
AED/KES	27.41	30.41	27.41	30.41

Money Market Rates	Current	Previous	Change
Interbank Rate	4.219%	4.139%	0.080
91-Day T-bill	7.266%	7.253%	0.013
182-Day T-Bill	8.192%	8.151%	0.041
364-Day T-Bill	9.173%	9.161%	0.012
Inflation	5.620%	5.510%	0.310
CBR RATE	7.000%	7.250%	-0.250

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The U.S. dollar index rose on Thursday to 100.46, shaking off falling U.S. bond yields, with Wall Street betting that the dollar is unlikely to lose its clout as the world's reserve currency even if the Federal Reserve is eventually forced to cut rates below zero. Meanwhile, investors are keeping an eye on simmering U.S.-China tensions, with U.S. President Trump saying in an interview overnight that he did not want to speak with Chinese counterpart and suggesting that he could cut ties with the second largest economy.

The GBP/USD pair tumbled to \$1.2193 on Thursday as sentiment on the pound remains negative after data earlier this week showed the U.K. economy contracted by a record 5.8% in March as the impact of the Covid-19 pandemic dealt a blow to growth. In the meantime, ongoing worries about U.K-EU trade talks have also weighed on the sterling as market players fret over whether the U.K. will agree to extend talks beyond the transition period with the June 30 deadline fast approaching.

The euro fell to \$1.0730 on Thursday, even as Germany, the economic powerhouse of the EU, reported better-than-expected inflation numbers.

The Japanese yen was down to 110.14 early Friday, with Japan lifting the state of emergency in 39 of the country's 47 prefectures on Thursday. But the state of emergency was not lifted for Tokyo and Osaka.

Elsewhere, global oil prices rose on Friday to \$31.52 per barrel, extending day-earlier gains, as data showed demand for crude picking up in China after the easing of curbs to stem the coronavirus outbreak, boosting hopes that the global supply overhang may start to fade.

#### Indicative Profit Rates on Deposits

	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.0750	1.0890
GBP/USD	1.2290	1.2380
USD/AED	3.6675	3.6775
USD/JPY	106.70	107.60

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