



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH APRIL 2020

DOMESTIC NEWS

Imbalance in foreign currency flows in the local FX market remained the dominant theme on Wednesday, as the local unit continued to weaken against the dollar. Business activity has slowed down significantly as government measures to curb the spread of the virus has affected both the demand and supply side. By close of trade, the local unit stood at 105.95/106.95 as compared to Tuesday's close of 105.70/106.90.

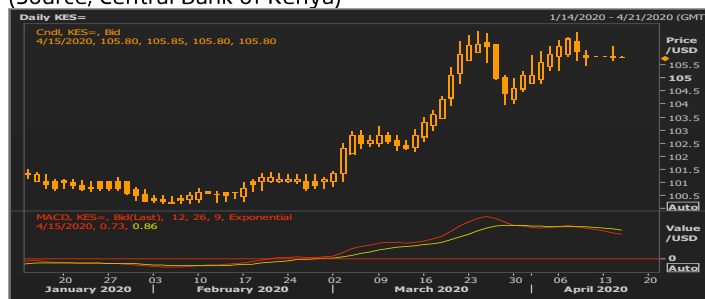
In other news, the IMF's executive board approved immediate debt relief to twenty-five of its member countries under the IMF's revamped Catastrophe Containment and Relief Trust as part of the Fund's response to help address the impact of the COVID-19 pandemic. The global lender urged other donors to help chip into the Trust's resources and further boost IMF's ability to provide additional debt service relief for a full two years to the poorest member countries. The IMF doubled Kenya's country's reserve of foreign currency to Sh75 billion. In the meantime, the monetary authority was in the market for the 6-day repo in a bid to mop KES 20 billion at a weighted average rate of 6.968%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.10	110.10	104.10	109.10
GBP/KES	128.95	136.95	129.50	136.50
EUR/KES	112.50	119.50	112.90	118.90
AED/KES	27.52	30.52	27.52	30.52

Money Market Rates	Current	Previous	Change
Interbank Rate	5.883%	5.323%	0.560
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 pushed higher on Wednesday to 99.09 in a delayed reaction to chilling estimates of the Covid-19 pandemic's impact on the world economy. Grim data released in the United States revealed the extent of the damage unleashed by the COVID-19-induced lockdown as retail sales for March dropped a record 8.7%. The country expects another 5.1 million Americans to file for unemployment as initial jobless claims data is released later in the day.

The GBP/USD pair registered a decline on Wednesday at \$1.2480. Brexit negotiators from the European Union and the UK have agreed to resume talks after a brief break due to the virus. The UK policymakers might cross wires during the day to convey the progress of the latest social distancing measures wherein any hints of how the government will break the lockdown could be awaited.

The euro dropped to \$1.0881 on Wednesday on the back off the return of risk aversion boosted the greenback across the board. Germany is set to begin reopening its economy on Monday.

The Japanese yen spiked to 107.89 early Thursday in the Tokyo open. Prime Minister Shinzo Abe is said to have secured funds for JPY100,000 cash payouts to all citizens and is making changes to the budget plan for the stimulus package to incorporate the payout.

Elsewhere, global oil prices were up to \$28.58 on Thursday as they rallied from a drop to their lowest levels in 18 years during the previous session. Even as oil producers including Saudi Arabia and Russia agreed to production cuts as part of the OPEC+ deal reached on April 5, the numbers pointed to an unenviable oversupply as the COVID-19 virus continues to hit demand.

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	
	Value /USD		Value /USD	
EUR/USD	1.0805	1.1020		
GBP/USD	1.2410	1.2590		
USD/AED	3.6675	3.6775		
USD/JPY	107.00	108.40		

For more details, contact our Treasury staff Jackline, Loryne and Evelyn on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.