



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 29TH APRIL 2020

### DOMESTIC NEWS

The Kenyan shilling was steady on Tuesday as demand and supply was well matched. Through the day interbank activity and corporate activity remained minimal through the day. In the new day, we expect the USD/KES pair to trade within familiar ranges. That said, market remains on the lookout for new developments that might skew the odds for the local currency in either direction. By close of trade, the local unit stood at 107.15/107.35 the same as Monday's close.

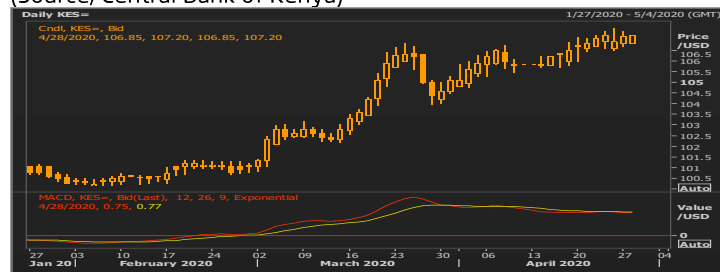
In other news, Kenya's economy grew 5.4% in 2019 from 6.3% a year earlier, partly due to a slowing performance of the agriculture sector, finance minister Ukur Yatani said on Tuesday. Agriculture grew by 3.6% in 2019 compared to 6.0% in 2018 as extreme weather conditions, first drought and then excess rain, hit agriculture in the East African nation. In addition, the annual inflation increased from 4.7 per cent in 2018 to 5.2 per cent in 2019. The increase in inflation was mainly due to less favorable weather conditions in the first half of 2019, though registering Aquarius gradual improvement over the remaining part of the year resulting to drop in food prices and overall inflation.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.50	110.50	104.50	109.50
GBP/KES	129.70	137.70	130.30	137.30
EUR/KES	112.90	119.90	113.40	119.50
AED/KES	27.58	30.58	27.58	30.58

Money Market Rates	Current	Previous	Change
Interbank Rate	4.686%	4.575%	0.111
91-Day T-bill	7.212%	7.201%	0.011
182-Day T-Bill	8.121%	8.089%	0.030
364-Day T-Bill	9.110%	9.091%	0.019
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 slipped to 99.785 on Tuesday as the slowing spread of the coronavirus and moves to re-open economies supported the investor mood, ahead of major central bank meetings. Investors are looking to the Fed meeting due on Wednesday for clues on its future policy in the aftermath of the 'unlimited quantitative easing' unleashed over the past two months to combat the economic impact of the COVID-19 pandemic by slashing rates, buying bonds and backstopping credit markets.

The GBP/USD pair rose to \$1.2470 on Tuesday as negotiations between the European Union and ex-member Britain over new trade arrangements from next year are at an impasse due to disagreements and the coronavirus crisis. British PM Boris Johnson will meet the leaders of the devolved administrations in Scotland, Wales and Northern Ireland to review whether to extend or ease the strict social distancing measures.

The euro advanced on Tuesday to \$1.0850. The European Central Bank is widely expected to increase the scope of its bond-buying at its council meeting on Thursday.

The Japanese yen stays depressed at 106.70 as Wednesday's market-opening bell rings in Tokyo over fears of the US-China tussle, due to the Trump administration's push for investigation alleging the dragon nation for the virus outbreak.

Elsewhere, global oil prices jumped on Wednesday to \$21.39 per barrel trimming some of this week's losses, after U.S. stockpiles rose less than expected and on expectations demand will increase as some European countries and U.S. cities moved to ease coronavirus lockdowns.

### 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	1.0795	1.0920
GBP/USD	1.2410	1.2535
USD/AED	3.6675	3.6775
USD/JPY	105.80	107.60

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