



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH APRIL 2020

DOMESTIC NEWS

The shilling movement against the U.S. dollar remained constrained within a tight band in Wednesday's session. The session saw little activity across the counters that just about evened out during the day with foreign currency demand matching supply to close at the same level as the previous day. That said, the current trading ranges continue to be mainly flow driven with fundamentals taking a back seat in the interim. By close of trade, the local unit stood at 107.15/107.35 the same as Tuesday's close.

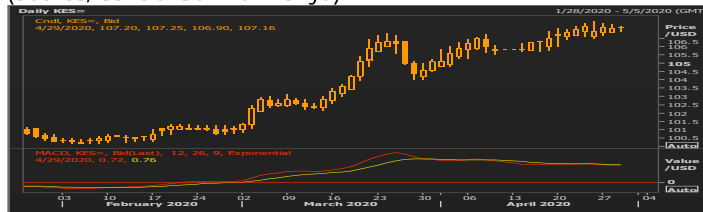
In other news, Kenya's central bank on Wednesday cut its benchmark lending rate to 7.0% from 7.25%, saying policy measures adopted in March had an effect, but due to the adverse economic outlook due to the coronavirus, there was need to augment the actions. The bank's monetary policy committee said in a statement it forecasts an economic growth of 2.3% this year, down from its March forecast of 3.4%, and from its estimate of 6.2% earlier this year. The bank said a projected fall in remittances was going to be more offset by lower oil imports. It also said that as a result of emergency measures it announced in mid-March, loans worth 81.7 billion Kenyan shillings (\$762.41 million) had been restructured mainly in tourism, restaurants and hotels, real estate, building and construction and trade.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.75	110.75	104.75	109.75
GBP/KES	129.65	137.65	130.20	137.20
EUR/KES	112.95	119.95	113.45	119.45
AED/KES	27.70	30.70	27.70	30.70

Money Market Rates	Current	Previous	Change
Interbank Rate	4.660%	4.686%	-0.026
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 nursed losses on Wednesday at 99.763 after the U.S. Federal Reserve left the door open to more monetary easing and dampened expectations for a quick economic recovery from the coronavirus pandemic. Fed Chairman Jerome Powell offered no sanguine words about how fast the country might return - if ever - to the near-record low unemployment and solid growth of just a few weeks ago but left interest rates unchanged. Sentiment for the dollar also took a hit after data showed U.S. gross domestic product fell in the first quarter at the sharpest pace since the Great Recession.

The GBP/USD pair climbed to \$1.2465 on Wednesday as the Foreign Secretary said that the UK must 'double down' and secure a Brexit deal by the end of the year to give businesses the best chance of 'bouncing back' from the coronavirus pandemic.

The euro was stuck at \$1.08640 on Wednesday as markets gear up today for the European Central bank meeting. The policymakers are likely to expand debt purchases to include junk bonds and take other steps to ease conditions in credit markets.

The Japanese yen takes the bids to 106.80 during the Tokyo open on Thursday. Japanese PM Abe recently crossed wires while saying that the state of emergency declared (due to the virus outbreak) may persist beyond May 6 as the severe situation is continuing.

Elsewhere, global oil prices jumped on Thursday to \$24.87 per barrel, extending steep gains in the previous session on signs the U.S. crude glut is not growing as quickly as expected and that gasoline demand battered by COVID-19 restrictions is starting to pick up.

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	1.0805	1.0940
GBP/USD	1.2400	1.2530
USD/AED	3.6675	3.6775
USD/JPY	105.60	107.70

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.