



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 4TH FEBRUARY 2020

DOMESTIC NEWS

The Kenyan shilling was unchanged against on Monday the U.S. dollar as foreign currency demand and supply became matched. An uptick in activity across the counters saw the pair oscillate between gains and losses, ending the session within similar ranges. Price action for the USD/KES pair was largely flow driven. Today's trading is expected to be range bound as players look out for new fundamentals to guide the direction of the home unit. By close of trade, the local unit stood at 100.35/55 the same as Friday's close.

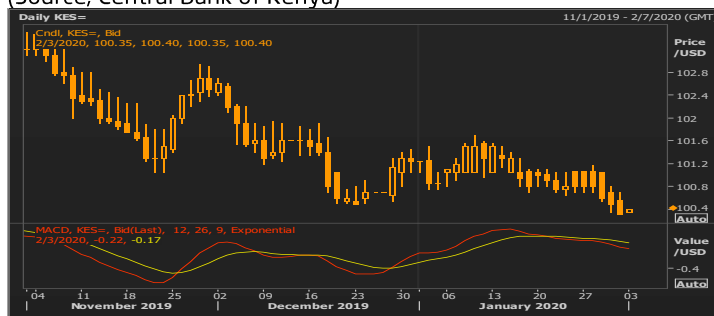
In other news, the Cabinet approved the commencement of talks with the United States of America on the establishment of a free trade arrangement between the two countries as it acknowledged that the negotiations, which may take long to conclude, will help Kenyan goods to have smooth access to the expansive US consumer market especially as the AGOA pact comes to an end. In the meantime, the monetary authority was in the market for the 7-day repo in a bid to mop KES 40 billion at a weighted average rate of 5.995%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.00	104.00	98.00	103.00
GBP/KES	126.75	134.75	127.25	134.25
EUR/KES	107.65	114.65	108.20	114.20
AED/KES	25.86	28.86	25.86	28.86

Money Market Rates	Current	Previous	Change
Interbank Rate	4.400%	4.302%	0.098
91-Day T-bill	7.296%	7.279%	0.017
182-Day T-Bill	8.229%	8.212%	0.017
364-Day T-Bill	9.879%	9.859%	0.020
Inflation	5.780%	5.820%	-0.040
CBR RATE	8.250%	8.500%	-0.250

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index climbed Monday to 97.620, on data showing that the manufacturing activity expanded in January for the first time in six months. The ISM manufacturing index for January showed an uptick to 50.9, beating expectations of 48.5. A reading above 50 in the ISM index indicates an expansion in manufacturing, which accounts for about 12% of the U.S. economy. Still, many expect that the turnaround in manufacturing is unlikely to be repeated.

The GBP/USD pair fell to \$1.2994 on Monday as the U.K. and EU expressed opposing views on a future relationship, raising fears over Britain risks leaving the economic bloc at the end of the transition period, Dec. 31, without a deal. EU chief negotiator said that the EU was prepared to make a wide-ranging free trade agreement but stressed it would be conditional on the U.K. retaining various EU rules to ensure a "level playing field." But U.K. Prime Minister Boris Johnson said he was unwilling to adopt EU standards as means to secure a free trade deal.

The euro dropped to \$1.0630 on Monday, shrugging off data showing stronger-than-expected manufacturing activity in the eurozone.

The Japanese yen keeps it positive while taking rounds to 108.70 during the early Asian session on Tuesday. The bid in safe havens faded somewhat, inflicting damage on the yen, despite ongoing concerns about the impact of the coronavirus outbreak on global growth.

Elsewhere, global oil prices rose on Tuesday to \$54.66 per barrel, matching moves in other financial markets as investors regained calm after Monday's sharp sell-off on fears of the impact of the China coronavirus.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
2 Weeks	6.50%	1.25%		
1 Month	7.00%	1.75%		
3 Months	8.00%	2.00%		
6 Months	8.50%	2.25%		
1 year	9.00%	2.50%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1020	1.1140
GBP/USD	1.2980	1.3150
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.50

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