



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 4TH MAY 2020

DOMESTIC NEWS

The domestic unit strengthened against the greenback on account of easing dollar demand pressure on Thursday. Trading in the local FX market began with relative calm as matching flows from both the demand and supply counters maintained the previous day's spot. Later in the day however, foreign currency inflows from various sectors of the economy toppled the balance giving the local unit a lift to close marginally stronger. The local currency will likely hold within the recent ranges in today's trading as competing players take center stage in the local currency market. By close of trade, the local unit stood at 107.10/107.30 as compared to Wednesday's close of 107.15/35.

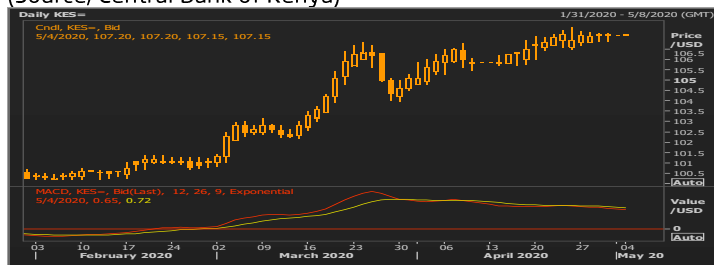
In other news, Kenya's inflation rose to 5.62% year-on-year in April from a revised 5.51% a month earlier, the statistics office said on Thursday. Main upward pressure came from prices of food & non-alcoholic beverages and transport. On a monthly basis, consumer prices inched up 0.86 percent, after an upwardly revised 0.19 percent increase in the previous month. In the meantime, the monetary authority was in the market for the 7-day repo in a bid to mop KES 5 billion at a weighted average rate of 4.000%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	103.80	110.80	104.80	109.80
GBP/KES	129.60	137.60	130.15	137.15
EUR/KES	113.90	120.90	114.40	120.40
AED/KES	27.71	30.71	27.71	30.71

Money Market Rates	Current	Previous	Change
Interbank Rate	4.271%	4.660%	-0.389
91-Day T-bill	7.242%	7.212%	0.030
182-Day T-Bill	8.134%	8.121%	0.013
364-Day T-Bill	9.115%	9.110%	0.005
Inflation	5.620%	5.510%	0.310
CBR RATE	7.250%	8.250%	-1.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar index was lower in trading on Thursday at 99.523, with traders having to balance the potential for more central bank largesse with the vivid illustrations of the damage the coronavirus outbreak has been doing to the global economy. In addition, U.S. President Donald Trump threw the first stone on Thursday when he said that the virus may have originated in a Wuhan virology lab. He also accused China mishandling the resultant coronavirus pandemic and threatened to slap new tariffs on Beijing. China has refuted the allegations.

The GBP/USD pair dropped to \$1.2449 on Thursday. The British lawmakers are debating in the House of Commons on the Health Protection (Coronavirus, Restrictions) Regulations and are likely not to ignore comments from the World Health Organisation that the UK needed to stay vigilant as it eases its coronavirus lockdown.

The euro pushed higher to \$1.0935 on Thursday on the back of weaker than expected US manufacturing data. The US ISM Manufacturing PMI has dropped to the lowest level in 11 years.

The Japanese yen is stuck near 106.67, early Monday as traders await a fresh impetus for the next push. Japanese Economy Minister Yasutoshi Nishimura said that the government seeks to extend the state of emergency to May 31.

Elsewhere, global oil prices were down on Monday morning at \$18.38 per barrel, unable to hold onto its gains from the previous session. There are already concerns that producers will struggle to meet their production cut quotas, with OPEC's second-largest producer Iraq predicted to face difficulty meeting its commitment to cut output by nearly a quarter.

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	1.0850	1.0970
GBP/USD	1.2400	1.2540
USD/AED	3.6675	3.6775
USD/JPY	105.70	107.90

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