



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH APRIL 2020

DOMESTIC NEWS

The Kenya shilling remained on a bearish path in Friday's trading session in the near term as economic fundamentals deteriorate owing to the COVID-19 pandemic. Increased dollar demand from various sectors coupled with paltry inflows from exports due to disruptions, pushed the USDKES pair higher. Market chatter points to further losses for the shilling ahead of the weekend as Tourism and Horticulture, the main foreign exchange earners, continue to take a hit. By close of trade, the local unit stood at 105.80/00 as compared to Thursday's close of 105.75/95.

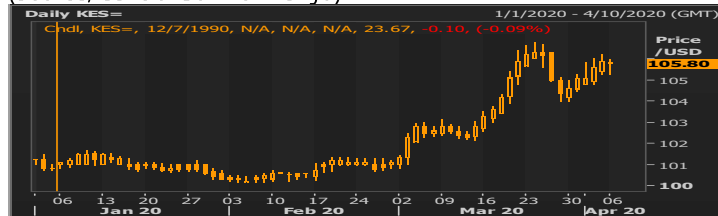
In other news, Private sector activity in Kenya tumbled in March as the global coronavirus pandemic hammered consumer demand and forced businesses to reduce their operations and staffing levels, a survey showed on Friday. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services plunged to 37.5 in March from 49.0 in February. Readings above 50.0 indicate growth. March's number was the second-lowest in the survey's history. Tourism and horticulture, two leading sources of foreign exchange for Kenya, have been hit hard. In addition, the central bank cut its 2020 economic growth forecast to 3.4% from 6.2% as the outbreak slashes demand from Kenya's trading partners, disrupting supply chains and local production.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.45	109.45	103.45	108.45
GBP/KES	125.55	133.55	126.05	133.05
EUR/KES	111.15	118.15	111.70	117.70
AED/KES	27.35	30.35	27.35	30.35

Money Market Rates	Current	Previous	Change
Interbank Rate	5.321%	5.652%	0.331
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 dollar was in demand on Friday at 100.46, as investors sought safety following the dire U.S. unemployment figures which illustrated the extent of the economic fallout from the coronavirus pandemic. The outbreak of the pandemic has caused developed economies to virtually close as governments attempt social distancing policies to stem the spreading of the virus. Further evidence of the damage associated with these policies emerged in the United States with an unprecedented number of workers - 6.6 million - filing jobless claims.

The GBP/USD pair continued its selloff against the dollar on Friday, as the U.K. services sector suffered its worst month on record, exacerbating fears about the strength of the economy at a time when business activity has ground to a halt following a nationwide lockdown last week settling at \$1.2249.

The euro pair was under pressure at \$1.0825 on Friday. On the macro view, recent better-than-forecasted PMIs in both Germany and the broader Euroland opened the door to some respite in the prevailing downtrend in fundamentals in the region

The Japanese yen is trading at is trading at 108.99 early Monday, having been sold-off across the board and is likely to struggle as Japan's COVID-19 cases spike. The Japanese government is set to announce a state of emergency on April 7, Tuesday.

Elsewhere, global oil prices skidded on Monday to \$31.14 per barrel after Saudi-Russian negotiations to cut output were delayed, keeping oversupply concerns alive, while stocks jumped as investors were encouraged by a slowdown in coronavirus-related deaths and new cases.

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	8.25%	2.25%
1 year	9.00%	2.50%
Indicative Cross Rates		
	Bid	Offer
EUR/USD	1.0790	1.0995
GBP/USD	1.2200	1.2620
USD/AED	3.6675	3.6775
USD/JPY	108.60	109.80

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