



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH FEBRUARY 2020

DOMESTIC NEWS

The Kenyan shilling to the weaker side on Wednesday as demand for the greenback dominated the trading session. A number of interbank and corporates players were on scene roiling the market in search for decent offers on the US dollar. This saw the shilling chase the elusive dollar, to take the USDKES currency pair slightly higher. 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 100.35/55 as compared to Tuesday's close of 100.30/50.

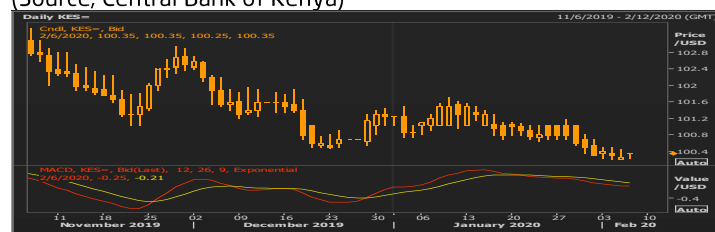
In other news, Kenya's private sector activity dropped in January to a level last hit in April, hurt by lower household demand and poor weather that slowed output in many businesses, a survey showed on Wednesday. The Kenya Purchasing Managers' Index (PMI) for manufacturing and services fell to 49.7 in January from 53.3 in December. Readings above 50 indicate growth. "Overall activity levels contracted solidly at the start of the year, as firms reported that a lack of money at households led to much softer demand pressure," the survey report said. The Finance ministry expects growth of 6.1% this year, while the central bank forecasts economic output will expand 6.2% in 2020.

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 on Wednesday to 98.090 as firmer services and private labor market data suggested the underlying U.S. economy remained on solid footing. ISM non-manufacturing data for January showed an uptick to 55.5, beating expectations of 55. On the labor market front, private payrolls grew by 291,000 last month, a sharp increase from the 199,000 in December, according to a report released. The bullish labor market data - just days ahead of the all-important nonfarm payrolls print due Friday - underpinned investor hopes that the economy will remain resilient despite the threat to global growth from a coronavirus-led slowdown in China.

The GBP/USD pair fell to \$1.3004 on Wednesday as Brexit concerns remerged following reports that the EU, as part of upcoming trade talks, could strip concessions it granted to U.K. investment firms - a potential move that would hurt Britain's economically important financial sector.

The euro fell to \$1.1003 on Wednesday, on the defensive and could suffer a deeper drop on weaker-than-expected German data due today.

The Japanese yen extends the four-day-old winning streak to 109.90 during early Thursday as traders await the US Nonfarm Payrolls at the end of the week for further evidence of a hotter economic performance and the start of the year for the world's largest economy.

Elsewhere, global oil prices rose on Thursday to \$56.27 per barrel in Asia amid reports on possible vaccines for the coronavirus in China. China's Daily newspaper reported that a team of researchers had found drugs that can be used to treat patients infected by the new 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	1.0850	1.1040
GBP/USD	1.2940	1.3010
USD/AED	3.6675	3.6775
USD/JPY	109.00	110.30

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