



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 8<sup>TH</sup> APRIL 2020

### DOMESTIC NEWS

The Kenya shilling was the under-achiever in yesterday's trading against the U.S dollar, shedding further units from the previous day's closing owing to an upsurge in foreign currency appetite. Demand for the greenback from various sectors ruled counters throughout the day, while inflows remained subdued, pushing the USDKES pair higher. As the dollar inflows continue to ebb out amid uptick in activity on the demand counter, we see the local unit remaining under pressure in the short term. The expectation today is that the home unit will trade on the defensive if the rush for the buck endures. By close of trade, the local unit stood at 106.40/60 as compared to Monday's close of 106.10/30.

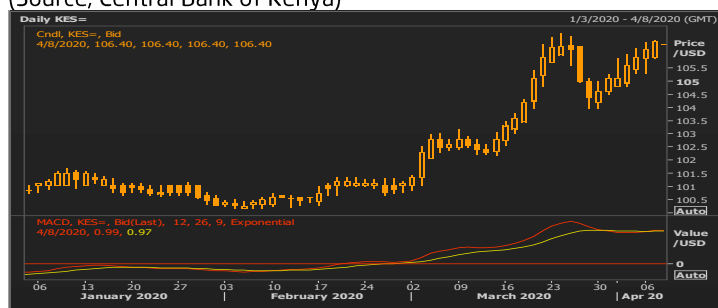
In other news, Kenya's economic growth will slow to 3% or less this year from an earlier forecast of about 6% due to the effects of the novel coronavirus, its finance minister said on Tuesday. The finance ministry had earlier given a 6.1% growth forecast for 2020. In the meantime, the monetary authority was in the market for the 7-day repo in a bid to mop KES 10 billion at a weighted average rate of 6.634%.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.95	109.95	103.95	108.95
GBP/KES	127.10	135.10	127.60	134.60
EUR/KES	112.25	119.25	112.70	118.70
AED/KES	27.48	30.48	27.48	30.48

Money Market Rates	Current	Previous	Change
Interbank Rate	5.337%	5.613%	-0.276
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 was on the back-foot on Tuesday at 100.235, with risk sentiment boosted by further evidence that the virus has peaked in some countries in Europe, while the U.S. has also seen scattered evidence of improvement. President Donald Trump removed the inspector general who was to oversee the government's \$2.3 trillion coronavirus response, a spokeswoman for the official's office said on Tuesday, fueling concerns in Congress about oversight of the relief package.

The GBP/USD pair gained to \$1.2316 on Tuesday as investors digested news that Prime Minister Boris Johnson is said to be in good spirits and in a stable condition in intensive care. In addition, Brexit headlines could also entertain traders as the EU-UK policymakers are finalizing the timetable for further Brexit talks in April and May.

The euro struggled on Tuesday at \$1.0860. The ECB announced a package of temporary collateral easing measures to facilitate the availability of eligible collateral for Euro system counter-parties to participate in liquidity providing operations.

The Japanese yen is currently trading at 108.95 early Wednesday. Japan's Prime Minister Abe has declared a state of emergency in Tokyo and six other provinces and plans to combat the economic fallout of COVID-19 with a huge fiscal stimulus package. "The package, worth 16.5 trillion yen which equates to 20% of GDP.

Elsewhere, global oil prices bounced back on Wednesday to \$32.62 per barrel lifted by hopes that a meeting between OPEC members and allied producers on Thursday will trigger output cuts to shore up prices that have crumbled amid the coronavirus pandemic.

### Indicative Profit Rates on Deposits

	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	1.2250	1.2390
USD/AED	3.6675	3.6775
USD/JPY	108.10	109.85

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