



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 8TH JUNE 2020

DOMESTIC NEWS

The USD/KES currency pair closed the week a touch higher, taking a stride towards the upper band of its recent trading range. The domestic unit gave in its gains on account of increased dollar appetite from corporates and interbank players, which overwhelmed the erratic foreign currency inflows, leaving the home unit exposed on the downside. Looking into the new week, in the absence of other mitigating factors, the recently established trough should hold as flows drive the pair's direction. By the closing bell, the local unit stood at 106.10/30 as compared to Thursday's close of 106.05/25.

In other news, Kenya will sell a five-year and a 10-year Treasury bond to raise a total of 40 billion shillings (\$377 million) this month, the central bank said on Friday. The bank said in a statement it would receive bids for the bond until June 16 and auction it a day later. Meanwhile, the monetary authority was in the market for the 7-day repo and 14-day Tad in a bid to mop KES 25 billion at a weighted average rate of 4.064% and 5.007% respectively. In the meantime, The governments of Kenya, Rwanda, Tanzania and Uganda are making final adjustments to their budget plans, which will be unveiled Thursday. In Kenya, already the Budget and Appropriations Committee a Parliamentary committee has approved Sh2.73 trillion spending for the national and county governments in the 2020-21 fiscal year starting July 1.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.65	109.65	103.65	108.65
GBP/KES	130.85	138.85	131.40	138.40
EUR/KES	116.30	123.30	116.80	122.80
AED/KES	27.40	30.40	27.40	30.40

Money Market Rates	Current	Previous	Change
Interbank Rate	2.987%	3.116%	-0.129
91-Day T-bill	7.325%	7.333%	-0.008
182-Day T-Bill	8.200%	8.248%	-0.048
364-Day T-Bill	9.165%	9.198%	-0.033
Inflation	5.470%	5.620%	-0.150
CBR RATE	7.000%	7.000%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar index advanced on Friday to \$96.765, owing to the US Nonfarm Payroll report boosting the optimistic sentiment, as the country added 2.5 million jobs in May, against expectations of negative eight million. The unemployment rate surged to 13.3%, much better than the 19.8% expected while the Labor Force Participation Rate increased to 60.8%. Meanwhile, protests in the US continue, although things seem to have cooled down, New York's Mayor announced the early end of curfew after peaceful protests.

The GBP/USD pair trimmed gains to \$1.2700 on Friday over fears of dwindling UK finances due to the government's coronavirus (COVID-19) relief packages. Additionally, Brexit headlines also played a negative role as the European Union and the UK failed to offer any trade deal at the end of the fourth round.

The euro turned down from daily highs on Friday, settling at \$1.1291 weighed by US dollar strength on the back of an unexpected increase on US Non-Farm Payrolls. However, the single currency has still so much to offer with the bold European Central Bank action to support the worst COVID-19-hit countries and sectors.

The Japanese yen receded to 109.50 during the Tokyo open on Monday as the risk-on mood in the financial markets looks to be weighing over the US dollar.

Elsewhere, global oil prices crept higher on Monday to \$43.41 per barrel but gave up big early gains as optimism over major crude producers' deal to extend record output cuts gave way to disappointment.

Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million	Amounts >100,000
	KES	USD
2 Weeks	6.00%	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1210	1.1370
GBP/USD	1.2650	1.2760
USD/AED	3.6675	3.6775
USD/JPY	108.90	110.80

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