



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH APRIL 2020

DOMESTIC NEWS

The shilling finally shone on Wednesday, after taking a beating in previous sessions, clawing back some cents against the greenback. The local unit had touched an all-time low in the morning session but rebound later in the day amid decline of appetite for the greenback. The home unit was cushioned from further downside temporarily as traders refrained from placing aggressive bets. In the new day, we expect heightened volatility for the USDKES pair. That said, the current trading ranges continue to be mainly flow driven. By close of trade, the local unit stood at 105.80/00 as compared to Tuesday's close of 106.40/60.

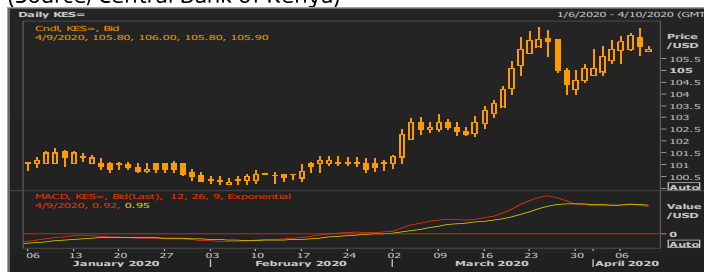
In other news, the next meeting of the Monetary Policy Committee will be held on Monday, April 27, 2020. At its last meeting on 24th March 2020 the MPC cut the Central Bank Rate to 7.25% from 8.25%. In the meantime, the monetary authority was in the market for the 6-day repo in a bid to mop KES 15 billion at a weighted average rate of 6.693%. Meanwhile, The World Bank forecasts the sub-Saharan Africa region's economic growth for 2020 will contract because of the impact of the coronavirus outbreak, going into a recession for the first time in 25 years.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	102.60	109.60	103.60	108.60
GBP/KES	127.35	135.35	127.90	134.90
EUR/KES	111.75	118.75	112.25	118.25
AED/KES	27.39	30.39	27.39	30.39

Money Market Rates	Current	Previous	Change
Interbank Rate	4.951%	5.337%	-0.386
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 in demand Wednesday at 100.345, as investors sought safe havens amid disappointing news surrounding the coronavirus outbreak and the economic damage in Europe becomes apparent. U.S. President Donald Trump talked up the possibility of reopening parts of the U.S. economy, as the Covid-19 outbreak in the country showed mixed signs of slowing down whereas China has ended its lockdown of Wuhan, where the virus first emerged.

The GBP/USD pair gained to \$1.2399 as Prime Minister Boris Johnson remains in stable condition in his third day in the intensive care unit to treat his COVID-19 symptoms.

The euro weakened on Wednesday to \$1.0870, as Eurozone finance ministers struggle to reach an agreement on how to assist ailing member states hit by the coronavirus. The sticking point appears to be the issuance of common debt instruments to finance the coronavirus-related spending, commonly known as 'coronabonds', which France, Italy and Spain in particular are pushing for, while Germany, the Netherlands, Austria and Finland are against.

The Japanese yen is currently sitting at 108.90 early Thursday, BoJ's Kuroda has crossed the wires and said that economic uncertainty is very high. The Yen is waiting for fresh clues from the key event risks, including the US jobless claims and the US Federal Reserve Chair Jerome Powell's speech, due later in the day.

Elsewhere, global oil prices built on the momentum at \$33.70 per barrel on Thursday from the previous session as the price war between Russia and Saudi Arabia seems to be nearing a truce.

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	1.0810	1.0930
GBP/USD	1.2300	1.2450
USD/AED	3.6675	3.6775
USD/JPY	108.30	109.80

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