



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH JULY 2019

DOMESTIC NEWS

The Kenyan shilling weakened against the dollar on Tuesday, due to excess liquidity in the money markets amid scant inflows from the agricultural sector. As at close of business, the local currency was quoted at 102.70/90 compared to Monday's close of 102.60/80.

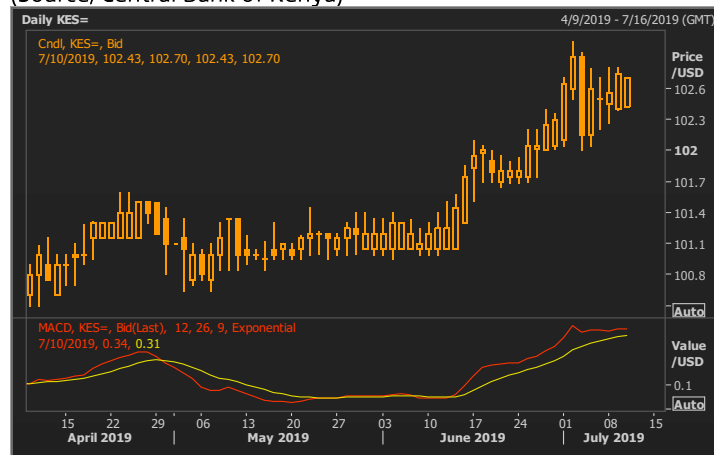
The Central Bank of Kenya was in the repo market on Tuesday 10th July 2019, in a bid to mop KES 20 billion in 7,14 and 21-day Repo. For the 7-day repo, it received KES 1.600 billion and accepted bids worth KES 0.700 billion at a weighted average rate of 4.475%, for the 14-day repo it received and accepted bids worth KES 4.650 billion at a weighted average rate of 6.595%, with regards to the 21-day repo it received bids worth KES 16.250 billion but accepted bids worth KES 14.650 billion at a weighted average rate of 7.357%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.30	106.30	100.30	105.30
GBP/KES	124.00	132.00	124.50	131.50
EUR/KES	111.70	118.70	112.20	118.20
AED/KES	26.49	29.49	26.49	29.49

Money Market Rates	Current	Previous	Change
Interbank Rate	2.104%	2.384%	-0.280
91-Day T-bill	6.685%	6.738%	-0.053
182-Day T-Bill	7.397%	7.487%	-0.090
364-Day T-Bill	8.610%	8.759%	-0.149
Inflation	5.700%	5.490%	0.210
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar steadied on Wednesday in Asia ahead of speech by Federal Reserve Chairman Jerome Powell, who is due to appear before Congress on Wednesday and Thursday for his semiannual testimony. The Fed opened the door at its last policy meeting for a cut and was widely expected to cut rates by 25 basis points when it meets at the end of July. Expectations for a 50-basis point cut, however have fallen to 5% from 25% last week after the latest jobs data showed the U.S. economy might be too strong to justify easing.

The GBP/USD pair is back to the midpoint of the 1.2452 handle, having failed several recovery attempts near 1.2475 region. The Cable looks vulnerable and risks a break below 1.2400 should Fed Chair Powell hint at a smaller rate cut this month. Sterling fell to fresh six-month lows of 1.2429 after efforts to block a no-deal Brexit via a Northern Ireland Bill failed and still remains under pressure amid looming Brexit uncertainty, with the Tory leadership vote slated to be settled by July 23, and front-runner Boris Johnson crowing over leaving the European Union on October 31, with-or-without a deal.

The euro is currently trading at \$1.1207, having hit a three-week low of 1.1193 on Tuesday, however it will likely regain poise if Powell reinforces rate cuts expectations.

The yen is extending its recent rally, with 108.86 a six-week high but is stalling in the opening hour of Tokyo's trading. The Dollar is strong leading into Powell's testimony in the New York session today.

Oil prices rose to \$64.77 on Wednesday, led by U.S. crude after an industry group reported that U.S. stockpiles fell for a fourth week in a row, alleviating concerns about oversupply.

Indicative Profit Rates on Deposits

Amounts > 10 Million		Amounts >100,000	
KES		USD	
2 Weeks	6.50%	2.00%	
1 Month	7.00%	2.50%	
3 Months	8.00%	2.75%	
6 Months	8.50%	3.50%	
1 year	9.00%	3.75%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1195	1.1300
GBP/USD	1.2400	1.2510
USD/AED	3.6675	3.6775
USD/JPY	107.50	109.20

For more details, contact our Treasury staff- Peter, Michael and Loryne on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.