



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH JUNE 2019

DOMESTIC NEWS

The Kenyan shilling strengthened against the dollar on Friday with inflows from diaspora remittances outweighing dollar demand from merchandise importers. At the close of trade, the local unit was quoted at 101.15/35, as compared to the previous day's close of 101.25/45.

Market players begin to shift their attention towards the upcoming fifteen-year bond auction that closes on Tuesday, 11th June 2019. Elsewhere, overnight interbank rates rose marginally.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.70	104.70	98.70	103.70
GBP/KES	124.64	132.64	125.14	132.14
EUR/KES	110.93	117.93	111.43	117.43
AED/KES	26.05	29.05	26.05	29.05

Money Market Rates	Current	Previous	Change
Interbank Rate	4.372%	4.158%	0.214
91-Day T-bill	6.915%	6.995%	-0.080
182-Day T-Bill	7.606%	7.651%	-0.045
364-Day T-Bill	9.299%	9.311%	-0.012
Inflation	5.490%	6.580%	-1.090
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The jobs data released on Friday raised expectations that the U.S. Federal Reserve will cut rates. Analysts were already expecting a cut before the data came out, as intensifying trade tension between the U.S. and China raised concerns of a slowing global economic growth. U.S. Treasury Secretary Steven Mnuchin said over the weekend that the U.S. will go forward with the plan to impose more tariffs if discussions with China do not go well.

Meanwhile, the GBP/USD pair remains on a back foot to 1.2715 while heading into the London open on Monday. Three days prior to the decision on the ruling Conservative party's leadership, the front runner Boris Johnson got a weak spot from France concerning his promise to not pay the Brexit bill. The UK Telegraph quoted sources close to the Fresh President terming such promise by Britain's ex-Foreign Minister as sovereign debt default.

The euro is trading around 1.1300, consolidating its gains that were fueled by the weak US Non-Farm Payrolls.

Elsewhere, the Japanese Yen is currently trading at 108.40, giving back some opening gains. The lift to sentiment from the U.S.-Mexico deal would probably spill over optimism with China and hopefully some progress there.

Oil prices extended gains to \$63.62 on Monday in Asia after jumping more than 2% in the previous trading session on reports that the OPEC is planning to extend production cuts through the rest of the year.

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	1.1240	1.1400
GBP/USD	1.2650	1.2780
USD/AED	3.6675	3.6775
USD/JPY	107.40	110.10

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.