



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 10TH MAY 2019

DOMESTIC NEWS

The Kenya shilling held relatively stable against the greenback on Friday, helped by dollar inflows from remittances and foreign investors buying government debt which offset rising dollar demand from the energy sector. By close of business, the local unit stood at 101.00/20, 10 cents stronger than the opening level of 101.10/30. We expect the shilling to remain relatively stable and trade in the 100.50/101.50 range in the coming week.

Meanwhile, the Central Bank of Kenya yesterday sold KES 13.875 billion worth of the 91-day, 182-day and 364-day Treasury Bills against a target of KES 24 billion, after receiving bids worth KES 13.89 billion. The Treasury bill yield for three issues fell marginally compared to last week's auction as the Central bank continued to reject expensive bids.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	127.50	135.50	128.00	135.00
EUR/KES	110.00	117.00	110.50	116.50
AED/KES	26.05	29.05	26.05	29.05

Money Market Rates	Current	Previous	Change
Interbank Rate	6.4008%	6.5629%	-0.162
91-Day T-bill	7.196%	7.250%	-0.054
182-Day T-Bill	7.897%	7.958%	-0.061
364-Day T-Bill	9.316%	9.320%	-0.004
Inflation	6.58%	4.35%	2.230
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell against major global currencies on Thursday as risk aversion gripped broader markets amid concerns the U.S.-China trade conflict could escalate. U.S. President Donald Trump's tariff increase to 25% on \$200 billion worth of Chinese goods took effect on Friday, and Beijing said it would strike back, ratcheting up tensions as the two sides pursue last-ditch talks to try salvaging a trade deal.

The hike came in the midst of two days of talks between top U.S. and Chinese negotiators to try to rescue a faltering deal aimed at ending a 10-month trade war between the world's two largest economies.

Against the weaker dollar, the euro rose 0.3% to settle at \$1.1225, having spent the week in a tight \$1.1155-\$1.1130 range.

Meanwhile, the British pound held stable against the dollar despite doubts that Brexit negotiations between the ruling Conservative and opposition Labour parties would get anywhere. British media reported on Wednesday the Brexit talks were close to collapse, causing sterling to fall. Mounting pressure on Prime Minister Theresa May to name a departure date is also weighing on the pound. On the day, the pound fell as much as 0.3% to \$1.2965, its lowest since April 30, before recovering to close at \$1.3005, same as Wednesday's close.

Elsewhere, global oil prices rose almost 1% in early trading on Friday amid renewed optimism that a trade deal could be struck between Washington and Beijing, calming fears that a protracted tariff war would harm global economic growth. Brent crude futures were at \$70.40 a barrel, up 0.8% from their last close.

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	1.1175	1.1275
GBP/USD	1.2955	1.3055
USD/AED	3.6675	3.6785
USD/JPY	109.20	110.20

For more details, contact our Treasury staff- Peter and Michael 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.