



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 11<sup>TH</sup> SEPTEMBER 2019

### DOMESTIC NEWS

Tuesday's trading saw the domestic unit step up its tempo against the greenback with foreign currency inflows throughout the day elevating the local unit to stand proud and tall over its American counterpart. Heightened activity was recorded on both demand and supply counters in the local FX market, however dollar demand was nipped by flows mainly from corporate and interbank players culminating to a strong finish for the home unit. By close of trade, the local currency stood at 103.55/75, as compared to Monday's close of 103.60/80.

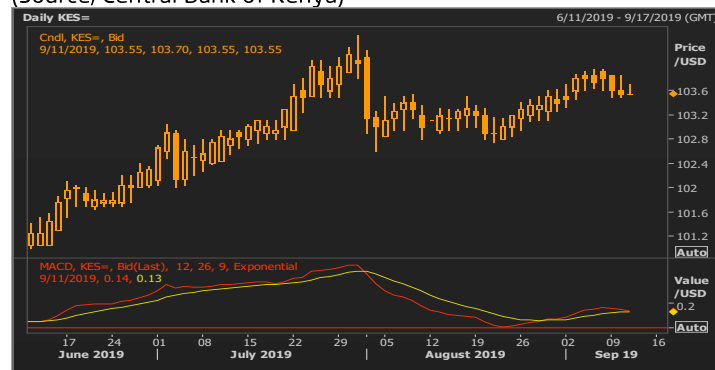
In the new day, further shilling gains may be on the cards if foreign currency inflows remain persistent against the trivial demand for the buck. This may however reverse if dollar appetite gains traction and poses a threat to the shilling's run for additional glory. In other news, the monetary authority mopped up KES 10B in excess liquidity at a weighted average rate of 8.724% in the 7-day repo.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.15	107.15	101.15	106.15
GBP/KES	124.00	132.00	124.50	131.50
EUR/KES	111.05	118.05	111.50	117.50
AED/KES	26.72	29.72	26.72	29.72

Money Market Rates	Current	Previous	Change
Interbank Rate	6.271%	6.318%	0.047
91-Day T-bill	6.375%	6.385%	-0.010
182-Day T-Bill	6.995%	7.011%	-0.016
364-Day T-Bill	9.520%	9.392%	0.128
Inflation	5.000%	6.270%	-1.270
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

### INTERNATIONAL NEWS

The U.S. dollar inched up modestly on Tuesday as job openings in the U.S. fell for the second-straight month. Jobs openings slipped by 31,000 to a seasonally adjusted 7.2 million in July, the Labor Department said in its monthly Job Openings and Labor Turnover Survey. While the Job Openings and Labor Turnover Survey numbers are a lagging indicator, it is used by the Federal Reserve to confirm the trend in the jobs market. Expectations for the Federal Reserve to cut interest rates by a quarter point this month remain priced in at 92%.

The GBP/USD pair consolidated recent gains to 1.2355 after the U.K. House of Commons thwarted Prime Minister Boris Johnson's plans to hold a general election before the country's scheduled departure from the EU on Oct. 31. The defeat - Johnson's sixth in parliament in little more than a week - further reduces the chance of a disorderly Brexit in the fall. Moreover, an opposition-led bill requiring Johnson to ask the EU for an extension to the Brexit deadline if he can't secure a transitional deal entered into law on Monday.

The euro was relatively stable at \$1.1047. Investor focus for now is centered on the European Central Bank's meeting on Thursday, which is expected to push interest rates even further into negative territory.

The Japanese yen rose to 107.71, on dovish central bank expectations. Bank of Japan policymakers are more open to discussing the possibility of expanding stimulus.

Elsewhere, global oil prices traded higher on Wednesday at \$62.89, after an industry report said U.S. crude stockpiles fell last week by more than twice the amount that analysts in a Reuters poll had forecast.

### 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	1.1010	1.1190
GBP/USD	1.2305	1.2385
USD/AED	3.6675	3.6775
USD/JPY	107.00	108.10

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