



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH AUGUST 2019

DOMESTIC NEWS

The local unit displayed an improved verve in Friday's trading against the greenback. A slight uptick in dollar supply from investors buying local government securities tipped the scales in favour of the shilling, seeing the home unit emerge on top albeit. By close of trade, the local currency stood at 102.95/15, as compared to Thursday's close of 103.30/50.

In the new week, the current trading ranges continue to be mainly flow driven as market players navigate these ranges. That said, markets will be closely watched for fresh economic fundamentals to give price direction. In other news, the monetary authority mopped up KES 20B in excess liquidity at a weighted average rate of 6.776% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.60	106.60	100.60	105.60
GBP/KES	120.40	128.40	120.90	127.90
EUR/KES	111.80	118.85	112.30	118.35
AED/KES	26.57	29.57	26.57	29.57

Money Market Rates	Current	Previous	Change
Interbank Rate	3.640%	3.551%	0.089
91-Day T-bill	6.449%	6.547%	-0.098
182-Day T-Bill	7.154%	7.254%	-0.100
364-Day T-Bill	9.152%	9.038%	0.114
Inflation	6.270%	5.700%	0.570
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar surged against currencies on Monday. Markets have struggled to maintain momentum since falling sharply after U.S. President Donald Trump ended a trade truce with China in early August. Trump said on Friday he was not ready to make a deal with China, after a string of tit-for-tat exchanges during the week. Trump added that America will cut all ties with Chinese tech company Huawei. Huawei was blacklisted in May for national security concerns, which prevented American companies from doing business with the tech giant. US Security Advisor, John Bolton spoke after meetings in London stating that they expect the Chinese delegation in September although China have not said yes or no.

The GBP/USD pair fell to \$1.2065 after second-quarter GDP dropped to 0.2%, increasing recession fears on the back of Brexit uncertainty. Over and above some of the British lawmakers are secretly plotting to stop the Prime Minister Boris Johnson from his "do or die" Brexit pledge, confirmation came out mentioning that September 09 is the date on which the parliamentary battle to stop the PM from exiting the EU without deal will begin.

The euro rose to 1.1218, as Italy's political parties tried to stop a push for snap elections that opinion polls suggest he would hand power to the populist right-wing Lega party of Matteo Salvini.

The yen traded at 105.40. Tensions between Asian financial hub Hong Kong and China grew over the weekend, with more reports of violence erupting between protesters and police.

Elsewhere, global oil prices slipped to \$58.39 a barrel, offsetting narrow gains in the previous session, as sluggish demand forecasts countered expectations that major producers would prop up oil prices by limiting crude oil output.

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	1.1100	1.1210
GBP/USD	1.2030	1.2120
USD/AED	3.6675	3.6775
USD/JPY	105.00	106.30

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.