



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH JUNE 2019

DOMESTIC NEWS

The Kenyan shilling under pressure against the dollar on Wednesday weighed down by dollar demand from merchandise and oil importers. At the close of trade, the local unit was quoted at 101.35/55, as compared to the previous day's close of 101.30/50.

Elsewhere, CBK sold on Wednesday KES 21.20 billion and KES 17.70 billion of the re-opened 15-year Treasury bonds - FXD1/2012/15 and FXD1/2018/15 against a target of KES 40 billion after receiving bids worth KES 85.60 billion for the two issues.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.95	104.95	98.95	103.95
GBP/KES	124.75	132.75	125.25	132.25
EUR/KES	111.11	118.11	111.61	117.61
AED/KES	26.12	29.12	26.12	29.12

Money Market Rates	Current	Previous	Change
Interbank Rate	3.264%	3.031%	0.233
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

U.S. President Donald Trump, reminded markets that more tariffs will be implemented on both Mexican imports and Chinese if he doesn't get what the U.S. requests from any agreement with either nation. Additionally, Trump was threatening sanctions over Germany's planned gas pipeline Nord Stream 2 from Russia.

Meanwhile, the GBP/USD pair remains on a back foot around 1.2690 as traders await the first round of voting to decide the new Tory leader while heading into the London open on Thursday. Even if the ex-London Mayor Boris Johnson is leading the run to become the next British Prime Minister mainly due to his Brexit hardliner image, he needs to get through today's parliament voting with more than 16 votes to remain in the race.

The euro clocked a high and low of 1.1343 and 1.1283 on Wednesday, after President Trump said he is considering sanctions to block the Nord Stream and said Germany is putting itself at risk by depending on Russian energy.

Elsewhere, the Japanese Yen is trading at session lows near 108.20, as it looks up to Fed meeting next week, with a total of three cuts priced by May 2020, and odds of a rate cut as soon as next week have decreased, shifting the emphasis on July's meeting. In Hong Kong, a demonstration against legislation that would allow citizens to be extradited to China triggered a mass protest.

Oil prices steadied on Thursday at \$60.09, after slumping as much as 4% in the previous session to nearly five-month lows on the back of a further buildup in U.S. crude stockpiles.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES	USD	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	1.1220	1.1350
GBP/USD	1.2600	1.2710
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.80

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