



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH AUGUST 2019

DOMESTIC NEWS

A slight uptick in dollar demand propelled the USD/KES pair to march north, forcing the local unit to close the day marginally weaker. Kenyan markets were closed on Monday for a public holiday. By close of trade, the local currency stood at 103.15/35, as compared to Friday's close of 103.10/30.

In the new day, the current trading ranges continue to be mainly flow driven. That said, markets will be closely watched for fresh economic fundamentals to give price direction. In other news, the monetary authority mopped up KES 35B in excess liquidity at a weighted average rate of 6.753% in the 6-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.75	106.75	100.75	105.75
GBP/KES	120.45	128.45	120.90	127.90
EUR/KES	111.85	118.85	112.35	118.35
AED/KES	26.61	29.61	26.61	29.61

Money Market Rates	Current	Previous	Change
Interbank Rate	3.758%	3.640%	0.118
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 inched down as U.S. President Donald Trump on Tuesday backed off his Sept. 1 deadline for 10% tariffs on remaining Chinese imports, delaying duties on cellphones, laptops and other consumer goods to Dec. 15, in the hopes of blunting their impact on U.S. holiday sales. Trade negotiations between the United States and China have progressed in fits and starts, so many investors and analysts have scaled back expectations for a resolution in the near term. In addition, traders will closely watch Chinese economic data due later Wednesday to measure the impact of the trade war.

The GBP/USD pair registers stray moves ahead of the UK's July month CPI data while trading near 1.2560. Sterling came under pressure after the news broke that rebel members of the Parliaments have lined up with ex-Chancellor Phillip Hammond to convey that Boris Johnson is the reason the EU is not availing any deals to the UK. Some among them, took a step forward and pledged to do anything to stop Britain crash out of the bloc without any deal.

The euro fell to 1.1170 as political uncertainty in parties in Italy continued. The situation in Italy is that the nation's political groups have been failing to reach agreement on when to hold a vote of no confidence, amid a government crisis triggered by nationalist leader Matteo Salvini.

The yen soared to 106.95. Ten weeks of increasingly violent clashes between police and pro-democracy protesters, angered by a perceived erosion of freedoms.

Elsewhere, global oil prices were down to \$60.64 a barrel, on Wednesday as rising crude inventories outweighed reports that the U.S. delayed tariffs on certain Chinese goods.

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.