



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 14TH JUNE 2019

DOMESTIC NEWS

The Kenyan shilling was seen under pressure against the U.S. dollar on Thursday due to demand from oil importers. At the close of trade, the local unit was quoted at 101.50/70, as compared to the previous day's close of 101.35/55.

Kenya will cut its budget deficit for its 2019/20 (July-June) financial year to 5.6 percent of GDP from 7.4 percent in the fiscal year to the end of this month, the Finance Minister Henry Rotich said in his budget proposals to parliament. The funding gap will be filled by net local borrowing of 283.5 billion shillings (\$2.79 billion) and 324 billion shillings in net external borrowing, Rotich said.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.10	105.10	99.10	104.10
GBP/KES	124.77	132.77	125.27	132.27
EUR/KES	111.03	118.03	111.53	117.53
AED/KES	26.16	29.16	26.16	29.16

Money Market Rates	Current	Previous	Change
Interbank Rate	3.306%	3.264%	0.042
91-Day T-bill	6.895%	6.915%	-0.020
182-Day T-Bill	7.723%	7.606%	0.117
364-Day T-Bill	9.263%	9.299%	-0.036
Inflation	5.490%	6.580%	-1.090
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar steadied on Friday in Asia as traders await The Federal Reserve meeting due next week. On the Sino-U.S. trade front, U.S. President Donald Trump declined to set a deadline on increasing import tariffs on Chinese goods, insisting that the two countries would eventually make a deal but taking responsibility for the delay in the meantime. "I have no deadline. My deadline is what's up here," he said, pointing to his head at a press conference on Wednesday.

Meanwhile, the GBP/USD pair weakens to 1.2675 ahead of the UK open on Friday. Boris Johnson leading the race of the UK PM with highest votes during the first round of Tory poll on Thursday and the British Parliament's rejection to the Labour-led motion to block no-deal Brexit adds further strength to speculations concerning a hard Brexit.

The euro bottomed earlier today at 1.1267, with investors awaiting the release of China's industrial production and retail sales data for May.

Elsewhere, the Japanese Yen is currently trading at 108.37. The Yen has been trading in response to the US stock market's resilience.

Oil prices rose on Friday to \$61.72 in Asia after two oil tanker ships off the coast of Iran were attacked. It wasn't clear who was responsible for the latest hit. U.S. Secretary of State Mike Pompeo accused Iran for the attacks, calling the Islamic Republic "a threat to international peace and stability". An Iranian official was quoted saying by BBC that Tehran had "nothing to do" with the attacks.

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	1.1210	1.1320
GBP/USD	1.2590	1.2720
USD/AED	3.6675	3.6775
USD/JPY	107.90	109.30

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