



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

## TREASURY MARKET UPDATE 14<sup>TH</sup> MAY 2019

### DOMESTIC NEWS

In relatively calm trading, the shilling held steady against the dollar, as activity from the demand and supply counters appeared evenly matched. The local unit was posted at 101.00/20, marginally changed from its opening levels. The local unit is expected to remain stable this week, supported by dollar inflows from agricultural exports and diaspora remittances but a surge in dollar demand from manufacturers and oil importers could see gains capped, which will leave the USDKES pair boxed in a tight range of 100.75-101.50.

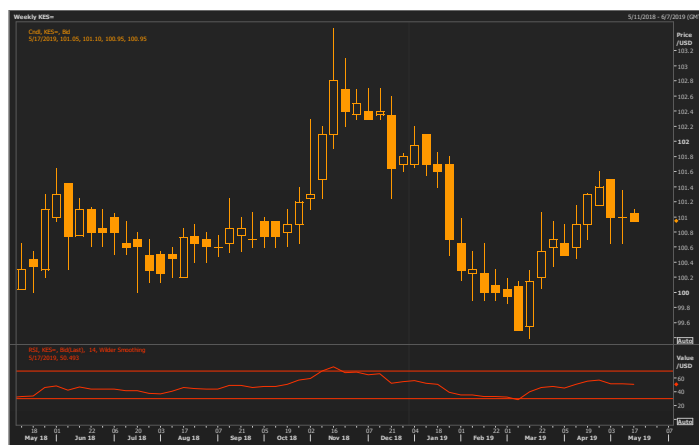
Improved liquidity saw the overnight money market rates dip marginally to 5.97% from 6.26% posted on Friday.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.50	98.60	103.60
GBP/KES	127.02	135.02	127.52	134.52
EUR/KES	110.14	117.14	110.647	116.64
AED/KES	26.02	29.02	26.02	29.02

Money Market Rates	Current	Previous	Change
Interbank Rate	5.970%	6.260%	-0.290
91-Day T-bill	7.196%	7.250%	-0.054
182-Day T-Bill	7.897%	7.958%	-0.061
364-Day T-Bill	9.316%	9.320%	-0.004
Inflation	6.58%	4.35%	2.230
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

As trade war between Beijing and New York escalated further yesterday, the Chinese yuan dropped to its lowest levels against the USD since December 2018, with each country raising tariffs on the other's goods. China plans to impose higher tariffs on \$60 billion worth of U.S. goods, that includes frozen vegetables and liquefied natural gas, after Washington's decision last week to hike tariffs on \$200 billion in Chinese imports.

Adding to the rising tension, the U.S. Trade Representative's office also said it planned to hold a public hearing next month on the possibility of imposing duties of up to 25% on a further \$300 billion worth of imports from China.

The yuan weakened to 6.92, its lowest level since Dec. 24. The dollar index against a basket of six rivals was slightly lower at 97.281.

Investors are worried the rising tensions between the two countries could prompt China to sell its vast holdings of US Treasuries as punishment or as a negotiation tactic against the United States, a move that could hurt the greenback against safe-haven currencies the Japanese yen and Swiss franc. Elsewhere, the GBP fell to its lowest levels in two weeks on concerns that the British parliament will fail to reach a cross-party deal on Brexit.

Oil prices edged higher, buoyed by Middle East tension after Saudi Arabia said two of its oil tankers were among those attacked off the coast of the United Arab Emirates, describing it as an attempt to undermine security of supply amid US-Iran tensions. Brent crude gained 0.36% to \$70.48 per barrel.

#### 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	1.2200	1.2300
GBP/USD	1.2925	1.3025
USD/AED	3.6665	3.6765
USD/JPY	109.20	110.20

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