



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH MAY 2019

DOMESTIC NEWS

The shilling held steady against the dollar in balanced trading to close unchanged at 101.00/20. Mid-month dollar demand mainly from the oil sector was matched by inflows from exports, leaving the USDKES pair caged in a tight range.

For the rest of the week, we expect the local unit to remain stable and trade at the current levels of 100.75-101.50 as the market look for fresh factors.

The overnight interbank rates dipped further on the last day of the current cash reserve cycle to close at 5.530% compared with 5.97% from 6.26% posted on Monday.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.55	104.45	98.55	103.55
GBP/KES	126.86	134.86	127.36	134.36
EUR/KES	110.04	117.04	110.54	116.54
AED/KES	26.01	29.01	26.01	29.01

Money Market Rates	Current	Previous	Change
Interbank Rate	5.530%	5.970%	-0.440
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

Global stocks rebounded yesterday from two-month lows as investors took heart from comments of U.S. and Chinese officials a day after a spike in tensions between the world's two largest economies rattled financial markets. The dollar was supported after U.S. and Chinese officials said the two countries would continue to negotiate on trade.

U.S. President Donald Trump sounded optimistic about prospects for a trade deal and insisted on Tuesday that trade talks with China had not collapsed and called the U.S.-China trade war "a little squabble".

Market participants are now focused on data out of China and Europe to provide the latest pointers on the state of the global economy. In the spotlight today are Chinese industrial production and retail sales for April. Later in the day, focus will turn to Euro Zone and German GDP reports and U.S. retail sales and industrial product for April for further cues on global growth.

The dollar index, which measures the greenback against a basket of currencies, rose 0.17%, with the euro down 0.12% to \$1.1209.

Oil prices rose after top exporter Saudi Arabia said explosives-laden drones launched by a Yemeni armed movement aligned to Iran had attacked facilities belonging to state oil company Aramco. However, prices came off in Asia trading after the American Petroleum Institute reported a bigger-than-expected build in crude oil inventory, with Brent futures largely unchanged.

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	1.1200	1.1300
GBP/USD	1.2915	1.3015
USD/AED	3.6665	3.6765
USD/JPY	109.25	110.25

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