



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 16TH JULY 2019

DOMESTIC NEWS

The Kenyan shilling weakened relatively against the greenback on Monday due to excess liquidity in the money markets. By close of trade, the local currency stood little changed at 102.95/103.15, as compared to Friday's close of 102.90/10.

The Central Bank of Kenya was in the repo market on Monday 15th July 2019, in a bid to mop KES 40 billion in 7 and 14-day Repo. For the 7-day repo, it received bids worth KES 1.810 billion and accepted bids worth KES 1.750 billion at a weighted average rate of 4.756%, with regards to the 14-day repo it received worth KES 42.410 billion and accepted bids worth KES 38.250 billion at a weighted average rate of 8.569%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.55	106.55	100.55	105.55
GBP/KES	124.95	132.95	125.45	132.50
EUR/KES	112.50	119.55	113.00	119.00
AED/KES	26.55	29.55	26.55	29.55

Money Market Rates	Current	Previous	Change
Interbank Rate	2.185%	2.440%	-0.255
91-Day T-bill	6.600%	6.685%	-0.085
182-Day T-Bill	7.469%	7.397%	0.072
364-Day T-Bill	8.646%	8.610%	0.036
Inflation	5.700%	5.490%	0.210
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. Dollar is up as focus is on U.S. retail sales data due today. Signs of an improving economic situation in the United States have led to steepening of the U.S. yield curve, led by higher longer-dated yields. U.S. data on Tuesday is expected to show that retail sales gained 0.1% in June. But a decline in net interest margin reported by Citigroup in its mixed quarterly report underlined risks for financial firms in a lower interest rate environment. Overnight, however, U.S. President Donald Trump showed no signs of softening his stance on China, warning that Washington could pile on more pressure as bilateral trade talks sputtered along.

The GBP/USD pair is set to recover previous losses while taking the rounds to 1.2520 ahead of the London open on Tuesday. Investors may now keep an eye over monthly jobs report and BOE Governor Carney's speech for fresh clues. Additionally, the US Retail Sales and the Fed Chair's comments will also be closely monitored for near-term market direction.

The euro emerged boldly strong at 1.1260 ahead of Germany's Ursula von der Leyen who will face a make or break vote today in her quest to be the European Commission's first female leader. Von der Leyen said on Monday that she would support giving the UK more time to negotiate its exit from the European Union.

The yen is currently trading at 107.99. Japanese yields fell to multi-year troughs earlier this month, as investors bet the world's major central banks would ease policy to fend off threats from trade tensions.

Elsewhere, global oil prices steadied on at \$59.60 Tuesday in Asia as more production facilities resumed output in the U.S. Gulf after Tropical Storm Barry made landfall in Louisiana on Saturday.

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	1.1205	1.1310
GBP/USD	1.2490	1.2600
USD/AED	3.6675	3.6775
USD/JPY	107.20	108.50

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