



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

## TREASURY MARKET UPDATE 16<sup>TH</sup> MAY 2019

### DOMESTIC NEWS

Soaring dollar demand from the oil sector saw the shilling cede some ground against the dollar in active trading yesterday. After holding steady in early morning trade, increased mid-month dollar buying from importers outweighed dollar sales mainly from the tea sector, which left the local unit 5 cents weaker to close at 101.05/25.

Meanwhile, Kenya issued a third Eurobond in two tranches of 7- and 12-years tenures. The government accepted bids worth USD 2.1 billion at 7.00% for 7 year and 8.00% for 12 years. Total bids stood at USD 9.5 Billion. The two bonds will be listed in Irish and London exchanges.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.65	104.65	98.65	103.65
GBP/KES	125.99	133.99	126.49	133.49
EUR/KES	109.88	116.88	110.38	116.38
AED/KES	26.04	29.04	26.04	29.04

Money Market Rates	Current	Previous	Change
Interbank Rate	5.670%	5.530%	0.140
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 investors' concerns on trade tariff issues remained a dominant theme, the euro recouped earlier losses against the U.S. dollar as trade concerns eased on expectations that U.S. President Donald Trump will delay implementing tariffs on imported cars and parts by up to six months.

The euro had earlier weakened as Italy's Deputy Prime Minister Matteo Salvini criticized European Union rules for the second day. He said the government was ready to breach EU rules that seek to limit budget deficits and curb excessive debt. Salvini's comments overshadowed data showing Germany's economy returned to growth in the March quarter as householders spent more freely and construction activity picked up.

In other data releases, China reported surprisingly weaker growth in retail sales and industrial output for April. In the U.S., retail sales unexpectedly fell in April as households cut back on purchases of motor vehicles and a range of other goods, while other data showed a drop in industrial production last month.

Safe-haven currencies including the Japanese yen and U.S. dollar were also boosted after weak economic data in China raised new concerns about growth there.

The dollar index was up 0.01%, while the euro was up 0.02% to \$1.1205.

Oil futures rose as worries that rising tensions in the Middle East could hit global supplies overshadowed an unexpected build in U.S. crude inventories. Brent was last at \$71.91, up 0.94% on the day.

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	1.1175	1.1275
GBP/USD	1.2820	1.2920
USD/AED	3.6675	3.6775
USD/JPY	109.15	110.15

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