



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

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

### DOMESTIC NEWS

The Kenya shilling oscillated within recent ranges with demand and supply forces evenly matched for most of Friday session. Early morning trade saw the USD/KES currency pair marginally higher amid increased corporate demand for the U.S dollar. However, the home unit showed renewed energy later in the day and closed the session a shade stronger. By close of trade, the local currency stood at 103.65/85, as compared to Thursday's close of 103.70/90.

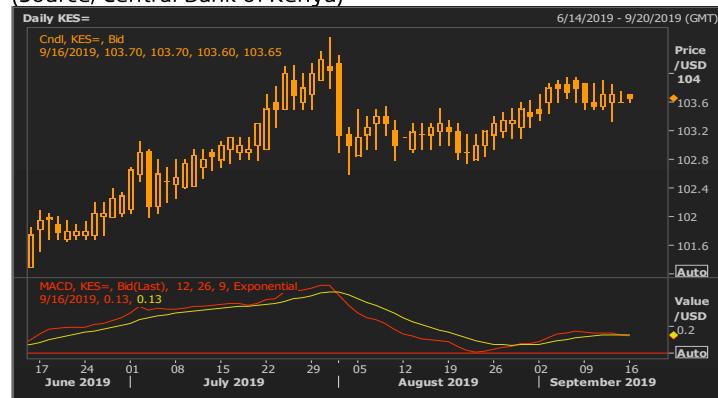
In the new week, market babble alludes to little change on price movement as players look out for fresh news that might offer direction to the local unit. We might see the domestic unit continue to be supported by foreign currency inflows that have been witnessed in the recent past. In the meantime, the monetary authority mopped up KES 25B in excess liquidity at a weighted average rate of 8.810% in the 7-day repo.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.30	107.30	101.30	106.30
GBP/KES	125.45	133.45	125.90	132.90
EUR/KES	111.45	118.45	111.90	117.90
AED/KES	26.76	29.76	26.76	29.76

Money Market Rates	Current	Previous	Change
Interbank Rate	6.335%	6.571%	0.236
91-Day T-bill	6.315%	6.375%	-0.060
182-Day T-Bill	7.143%	6.995%	0.148
364-Day T-Bill	9.582%	9.520%	0.062
Inflation	5.000%	6.270%	-1.270
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar fell to 98.243 on Friday as hopes of a trade truce between the U.S. and China lead to a safe-haven selloff. U.S. President Donald Trump said on Friday he preferred a comprehensive trade deal with China but did not rule out the possibility of an interim pact, even as he said an "easy" agreement would not be possible. China will exempt some agricultural products from more tariffs on U.S. goods. Both sides have made conciliatory gestures ahead of planned trade talks in the coming weeks. In other news, the U.S. dollar will be in focus this week ahead of an expected interest rate cut by the Federal Reserve on Wednesday.

The GBP/USD pair jumped to 1.2431 on Friday, on a newspaper report that the U.K. government is contemplating some type of regulatory divergence between Northern Ireland and the U.K. in an attempt to secure a Brexit deal. Northern Ireland would be willing to accept some EU regulations following a U.K. withdrawal from the EU, replacing the Irish backstop proposal-- raising some hopes of a new deal. But a political party in Northern Ireland called DUP denied the report shortly afterwards.

The euro was up to \$1.1073 late Friday, for a second day after the ECB on Thursday exempted euro zone banks from a penalty charge, which analysts say will reduce the currency impact of new stimulus.

The Japanese yen is currently trading at 107.60 amid heightened geopolitical tensions in the Middle East.

Elsewhere, global oil prices surged on Monday to \$66.20, posting its biggest intra-day percentage gain since the start of the Gulf War in 1991, after an attack on Saudi Arabian oil facilities on Saturday shut in the equivalent of 5% of global supply.

### 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	1.1010	1.1170
GBP/USD	1.2300	1.2495
USD/AED	3.6675	3.6775
USD/JPY	107.00	108.90

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