



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

## TREASURY MARKET UPDATE 19<sup>TH</sup> AUGUST 2019

### DOMESTIC NEWS

The shilling was the under-achiever in Friday's trading against the U.S dollar, as tenacious greenback appetite from various sectors of the economy hampered the local unit's quest for dominance. That said, the current trading ranges continue to be mainly flow driven as market players search for fresh economic fundamentals to give price direction. By close of trade, the local currency stood at 103.25/45, as compared to Thursday's close of 103.15/25.

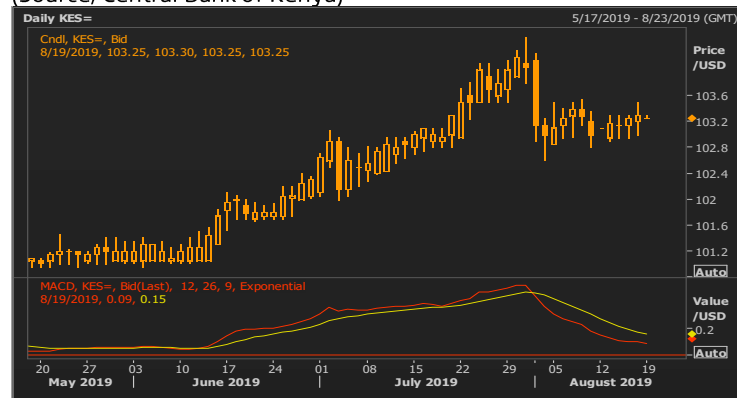
The Kenyan central bank's Monetary Policy Committee will hold its next rate-setting meeting on Sept.23, the bank said. At its last meeting in July, the bank held its benchmark lending rate at 9.0%, saying inflation expectations were within the target range and the economy was operating close to its potential. Meanwhile, the monetary authority mopped up KES 26B in excess liquidity at a weighted average rate of 6.890% in the 6-day repo.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.85	106.65	100.85	105.85
GBP/KES	121.65	129.65	122.10	129.10
EUR/KES	111.15	118.15	111.65	117.65
AED/KES	26.64	29.64	26.64	29.64

Money Market Rates	Current	Previous	Change
Interbank Rate	3.325%	3.610%	-0.285
91-Day T-bill	6.449%	6.547%	-0.098
182-Day T-Bill	7.154%	7.254%	-0.100
364-Day T-Bill	9.152%	9.038%	0.114
Inflation	6.270%	5.700%	0.570
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar climbed on Friday, supported as U.S. Treasury yields bounced back from recent lows in the wake of German stimulus hopes. Falling yields caused the two-year/10-year Treasury curve to invert for the first since 2007, a phenomenon widely regarded as a recession signal that puts the Federal Reserve interest rate deliberations into focus. In other news, U.S. President Donald Trump reiterated that he is not ready to make a trade deal with China, hinting that he wants to see Beijing deal with the ongoing protests in Hong Kong first. The president added that he will decide on whether to extend a license that would allow Chinese tech giant Huawei to continue doing business with U.S. companies.

The GBP/USD remains on the recovery mode as it trades near 1.2150. The Cable carries previous strength forward as British lawmakers term the leak of Yellowhammer report as an act of scaremongering ahead of the UK Prime Minister Boris Johnson's visit to the EU. The Yellowhammer report consists of multiple serious warnings about transport disruption and shortages of food, water and medicines. Tories considered it as an effort by Theresa May's former minister to spoil the UK PM's visit to the EU.

The euro is at the mercy of the action in the German bond yields at 1.1090, amid rising dovish European Central Bank expectations and the talk of German fiscal boost.

The Japanese is currently at 106.37 per dollar, having pulled back from a seven-month peak near 105.000 reached when events like the current unrest in Hong Kong still dominates.

Elsewhere, global oil prices rose to \$64.00 per barrel on Monday following a weekend attack on a Saudi oil facility by Yemeni separatists.

### 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	1.1105	1.1200
GBP/USD	1.2110	1.2240
USD/AED	3.6675	3.6775
USD/JPY	105.90	106.80

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