



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

## TREASURY MARKET UPDATE 20<sup>TH</sup> JUNE 2019

### DOMESTIC NEWS

The Kenyan shilling slightly strengthened against the dollar on Wednesday on the back of inflows from horticulture exports and non-governmental organizations. At the close of trade, the local unit was quoted at 101.90/10, as compared to the previous day's close of 101.95/15.

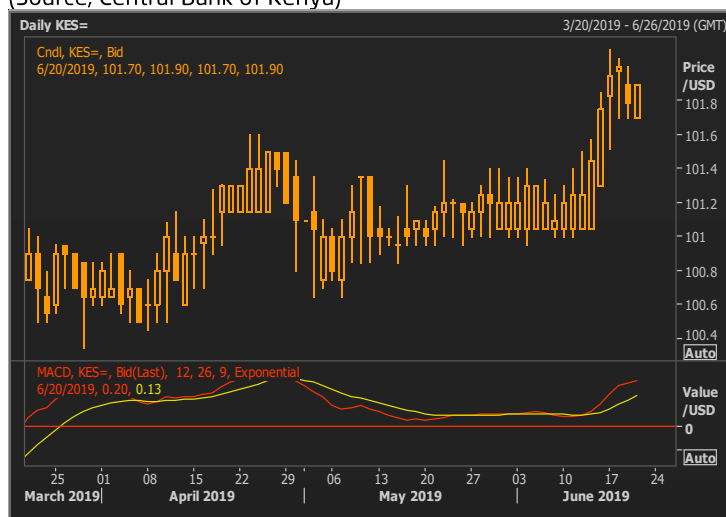
Elsewhere, overnight interbank rates were relatively stable as liquidity conditions somewhat improved. CBK has stayed out of the repo market since 17<sup>th</sup> June 2019.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.45	105.45	99.45	104.45
GBP/KES	125.20	133.30	125.80	132.90
EUR/KES	111.30	118.35	111.80	117.85
AED/KES	26.26	29.26	26.26	29.26

Money Market Rates	Current	Previous	Change
Interbank Rate	2.934%	3.022%	-0.088
91-Day T-bill	6.895%	6.915%	-0.020
182-Day T-Bill	7.723%	7.606%	0.117
364-Day T-Bill	9.263%	9.299%	-0.036
Inflation	5.490%	6.580%	-1.090
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

The Federal Open Market Committee kept the fed funds rate in a range of 2.25% to 2.5% as expected. "The Committee continues to view sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2% objective as the most likely outcomes, but uncertainties about this outlook have increased," the Fed said. In addition, the dollar lost more than 0.3%, its lowest since Jan.4, coming under further pressure after Bloomberg reported that U.S. President Donald Trump believes that he has the authority to replace Fed Chair Jerome Powell and demote him to be a board governor. President Donald Trump has repeatedly attacked the Fed for not doing more to bolster the economy.

Meanwhile, the GBP/USD pair extended the previous rise towards one week high of 1.2690 ahead of the London open. Traders may now watch over May month retail sales from the U.K. and the BOE's monetary policy decision. Moreover, GBP benefited from receding political uncertainty at home as the front runner Boris Johnson comes closer to be the UK Prime Minister.

The euro is currently trading at \$1.1265, it rose due to weakness in the U.S. treasury yields.

Elsewhere, the Japanese Yen is currently trading at 107.60. The Bank of Japan kept monetary policy steady. The central bank maintained its short-term rate target at -0.1% as expected.

Oil prices rose over 1% on Thursday to \$62.64, as official data showed U.S. crude stocks fell more than expected and as OPEC and other producers finally agreed a date for a meeting.

### 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	1.1195	1.1320
GBP/USD	1.2590	1.2720
USD/AED	3.6675	3.6775
USD/JPY	107.10	109.20

For more details, contact our Treasury staff- Peter, Michael and Loryne on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.