



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

## TREASURY MARKET UPDATE 21<sup>st</sup> JUNE 2019

### DOMESTIC NEWS

The Kenyan shilling strengthened slightly 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 101.75/95, as compared to the previous day's close of 101.95/15.

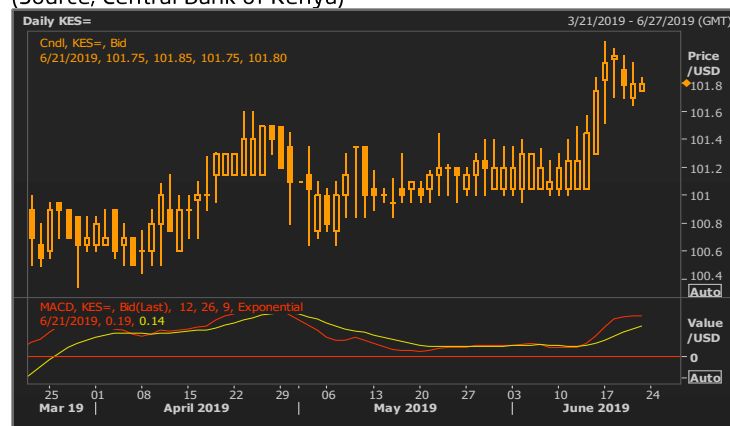
Kenya's central bank governor said on Thursday that the recent downward movement of the shilling is not an issue. "The movement it has had over the last few weeks is not an issue," Patrick Njoroge told a news conference, adding the foreign exchange reserves held by the bank were the highest the bank had held ever. "We have the firepower to deal with any eventuality and more," he said.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.40	105.40	99.40	104.40
GBP/KES	125.50	133.50	125.95	132.95
EUR/KES	111.60	118.60	112.10	118.20
AED/KES	26.24	29.24	26.24	29.24

Money Market Rates	Current	Previous	Change
Interbank Rate	2.894%	2.934%	-0.040
91-Day T-bill	6.814%	6.895%	-0.081
182-Day T-Bill	7.578%	7.723%	-0.145
364-Day T-Bill	9.050%	9.263%	-0.213
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 U.S. dollar kept losing ground to other majors after the U.S. Federal Reserve signalled an interest rates cut. The U.S. central bank suggested earlier in the week that it could ease monetary policy as early as next month amid mounting concerns over the economic impact of global trade tensions and subdued inflation. In addition, the 2019 G20 Summit in Osaka next week is attracting some attention where U.S. President Donald Trump and Chinese President Xi Jinping will meet amid the ongoing trade row. Both sides have confirmed a meeting between the two leaders on the sidelines of the summit.

Meanwhile, the GBP/USD pair's upside that ranges around 1-week high to 1.2713 ahead of the UK open on Friday. Investors may now concentrate on how the final two candidates for the UK PM's post prepare for the victory while second-tier US data could also act as near-term catalysts. The Bank of England on Thursday struck a less dovish tone than other central banks as they voted unanimously to keep interest rates on hold at 0.75% and stuck to their message that rates would need to rise.

The euro is currently trading at \$1.1295, ahead of key German and Eurozone data releases, which could influence European Central Bank (ECB) rate cut expectations.

Elsewhere, the Japanese Yen is trading at 107.35, the pair is holding up considering the focus on easing policy from the central banks that have weighed heavily on US rates.

Oil prices rose on Friday to \$64.84, on tensions in the Middle East after Iran shot down a U.S. military drone and on hopes for a drop in U.S. interest rates that may stimulate global growth.

### 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	1.1185	1.1290
GBP/USD	1.2610	1.2820
USD/AED	3.6675	3.6775
USD/JPY	106.50	108.30

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