



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

## TREASURY MARKET UPDATE 21<sup>ST</sup> MAY 2019

### DOMESTIC NEWS

The Kenya shilling was relatively stable due to ample dollar from diaspora remittances and exports amid reduced importer demand. At the close of trade, the local unit was quoted at 101.00/20, unchanged from the previous day's close.

The local currency is expected to remain steady and trade within the recent range of 100.95-101.50 this week but could come under mild pressure on end of month buying of dollar from importers.

Elsewhere, overnight interbank rates were relatively stable as liquidity conditions somewhat improved.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	124.59	132.59	125.09	132.09
EUR/KES	109.28	116.28	109.78	115.78
AED/KES	26.02	29.02	26.02	29.02

Money Market Rates	Current	Previous	Change
Interbank Rate	5.429%	5.429%	0.000
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

The GBP/USD pair is taking the bids near 1.2730, a stone's throw from Friday's low of \$1.2714 while heading into the London open on Tuesday. The Cable weakened off-late as the British PM Theresa May could neither gain any solution from the cross-party Brexit talks nor please lawmakers with the promise to present a new, bold offer with an improved package of measures.

The euro gained however marginal as the US stocks declined on the deepening US-China trade tensions. Also, the yield on the 10-year treasury yield gained three basis points despite the weak data, keeping the EUR/USD gains under check. Fed's Powell sounded cautious on the corporate debt and its potential negative effects on the economy, in the overnight trade, but failed to move the needle in the FX markets. The currency pair is currently trading at 1.1163, off Monday's low of \$1.1150, its lowest level since May 3. The euro will likely face selling pressures despite a potential risk-on in equities if the Italy-German yield differential widens.

Elsewhere, The US Commerce Department announced a 90-day window to those doing business with China's Huawei to have lesser hardships for domestic business. This seems to be a welcome sign for the US-China trade spat after the Trump administration previously banned the Chinese giant from its homeland.

Oil prices held near multi-week highs as OPEC indicated it was likely to maintain production cuts while escalating Middle East tensions between the U.S. and Iran is adding further fuel to the fire under prices. Brent was traded up 0.25% at \$72.16 per barrel.

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	1.1130	1.1200
GBP/USD	1.2705	1.2920
USD/AED	3.6675	3.6775
USD/JPY	109.10	110.30

For more details, contact our Treasury staff- Peter and Michael 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.