



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND JULY 2019

DOMESTIC NEWS

The Kenyan shilling was under pressure against the U.S. dollar on Friday due to demand from the energy and manufacturing sectors. By close of trade, the local currency stood at 103.10/103.30, as compared to Thursday's close of 103.05/25.

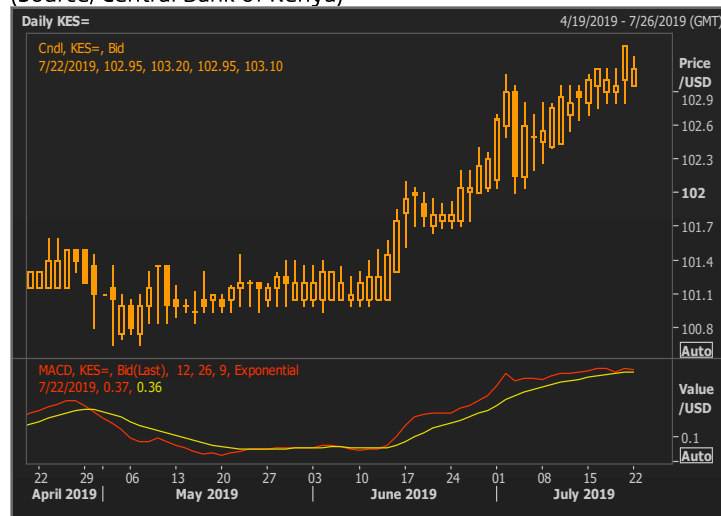
The Monetary Policy Committee is set to meet on Wednesday, 24th July 2019, to review the prevailing macroeconomic conditions and decide on the direction of the Central Bank Rate. Expectation is that the MPC will maintain the current policy stance, and the CBR at 9.0%, given the macroeconomic environment is still relatively stable.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.70	106.0	100.70	105.70
GBP/KES	125.05	133.05	125.55	132.55
EUR/KES	112.25	119.25	112.75	118.75
AED/KES	26.60	29.60	26.60	29.60

Money Market Rates	Current	Previous	Change
Interbank Rate	2.019%	1.998%	0.021
91-Day T-bill	6.498%	6.600%	-0.102
182-Day T-Bill	7.358%	7.469%	-0.141
364-Day T-Bill	8.785%	8.646%	0.139
Inflation	5.700%	5.490%	0.210
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The dollar drifted higher as investors tempered their expectations for deep U.S. interest rate cuts this month and heightened Middle East tensions. On the policy front, markets generally expect central banks to either cut rates or keep rates accommodative, starting with the European Central Bank, which meets on Thursday followed by the Bank of Japan and then the Fed next week. In addition, focus remains on China as Beijing and Washington seek to end a protracted trade war. A report over the weekend by China's Xinhua news agency suggested some local firms were seeking to buy U.S. farm products, a possible sign of progress.

The GBP/USD pair to start the week on a positive note, geopolitical tensions between the UK and Iran tamed the quote's upside as it trades near 1.2500 ahead of the London open on Monday. Iran is in no mood to release the second of the two oil ships seized claiming that they were crossing its waters. The present UK PM Theresa May will head an emergency parliament meeting to resolve the issue.

The euro continues to trade in a narrow range at 1.1218 amid falling odds of an aggressive easing by the US Federal Reserve later this month.

The yen is reassessing the latest recovery while dragging back below 108.00 during early Monday trading, waiting for fresh clues from the Fed.

Elsewhere, global oil prices rose on Monday to \$63.32, on concerns that Iran's seizure of a British tanker last week may lead to supply disruptions in the Middle East and after Libya reported the shutdown of its largest oil field.

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	1.1180	1.1250
GBP/USD	1.2470	1.2590
USD/AED	3.6675	3.6775
USD/JPY	107.05	108.20

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.