



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND MAY 2019

DOMESTIC NEWS

Increased dollar demand from oil importers and dividends payments to offshore investors piled pressure on the local currency in active trading yesterday. At the close of trade, the local unit was quoted at 101.15/35, compared to the previous close of 101.00/20.

The local currency is likely to trade with a bearish tone today if end of month dollar buying from importers picks up and trade in the 100.95-101.75 levels. Elsewhere, overnight interbank rates were relatively stable as liquidity conditions somewhat improved. The CBK has stayed out of the Repo market from Friday last week.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.75	104.75	98.75	103.75
GBP/KES	124.74	132.74	125.24	132.24
EUR/KES	109.45	116.45	109.95	115.95
AED/KES	26.07	29.07	26.07	29.07

Money Market Rates	Current	Previous	Change
Interbank Rate	5.416%	5.429%	-0.003
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 dollar remained bullish yesterday, supported rising US yields, which hit 3-1/2-week high after the United States eased trade restrictions on Chinese telecommunications equipment maker Huawei Technologies. The move came as a relief to markets hit by escalating trade tensions between the United States and China.

Meanwhile, the GBP/USD pair recovered to 1.2720 as traders await monthly inflation data and British PM May's statement to parliament later today. The GBP remained under pressure yesterday as members of the parliament reacted negatively to the Prime Minister Theresa May's incentive to vote for her Brexit proposal. Those included promise to have a right to conduct another referendum and have a say on the customs union issue. May will present statement providing details of her 10-point Brexit proposal during today's parliament session.

The euro is currently sidelined around 1.1162, with eyes now on the European Central Bank (ECB) President Draghi, to see if he will sound optimistic about the Zone economic prospects after this week monetary policy meeting.

Elsewhere, the Japanese Yen was largely unchanged at 110.55 this morning but could extend the 0.40% rally seen yesterday.

Oil prices fell by 0.6% to \$71.72 this morning in Asia trading amid comments by Saudi Arabia that said it would "do everything in its power" to prevent further conflict between Iran and the U.S.

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	1.1120	1.1210
GBP/USD	1.2685	1.2830
USD/AED	3.6675	3.6775
USD/JPY	109.00	110.55

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