



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

## TREASURY MARKET UPDATE 23<sup>RD</sup> MAY 2019

### DOMESTIC NEWS

Increased dollar demand from oil importers coupled with reduced dollar inflows paired pressure on the local currency in active trading yesterday. At the close of trade, the local unit was quoted at 101.20/40, compared to the previous close of 101.15/35.

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 100.95-101.60 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	97.80	104.80	98.80	103.80
GBP/KES	124.08	132.08	124.58	131.58
EUR/KES	109.43	116.43	109.93	115.93
AED/KES	26.08	29.08	26.08	29.08

Money Market Rates	Current	Previous	Change
Interbank Rate	5.358%	5.416%	-0.058
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 risk sentiment remained softer across the financial markets this Thursday on the back of looming US-China trade worries. Investors wait for new developments in the US-China trade dispute, amid the US mulling over whether to add five new Chinese technology firms to a blacklist. Hopes of a trade deal between the U.S. and China happening soon diminished after U.S. Treasury Secretary Steven Mnuchin told CNBC in an interview that a trip to Beijing to resume trade negotiations has not been scheduled yet.

Meanwhile, the GBP/USD pair fell 0.1% to 1.2647 after reports that U.K. Prime Minister Theresa May could resign as soon as today amid Brexit chaos caused a sell-off of the pound. May proposed a revised version of the Withdrawal Agreement Bill to Parliament on Wednesday, but her cabinet and backbench lawmakers have reportedly revolted at the new version and other reports suggested that members of parliament could put pressure on her to resign as soon as today.

The euro is on the back foot near 1.1150 and may remain resilient in the face of a weaker-than-expected data, as the first quarter slowdown has been priced in by the markets.

Elsewhere, the Japanese Yen declines to 110.20 as Tokyo opens on Thursday. With the US salvo adding a few more Chinese companies to its blacklist and turning down Beijing visit for trade talks, the US-China trade spat remained far from any solution and weakened market risk sentiment.

Oil prices dropped on Thursday to \$70.62 per barrel, extending falls from the previous session amid surging U.S. crude inventories and weak demand from refineries.

#### Indicative Profit Rates on Deposits

	Amounts > 10 Million	
	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	1.1110	1.1230
GBP/USD	1.2620	1.2810
USD/AED	3.6675	3.6775
USD/JPY	109.10	110.60

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