



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD SEPTEMBER 2019

DOMESTIC NEWS

The Kenya shilling edged slightly higher against the U.S. dollar in Friday's session on account of increased foreign currency supply. The home unit was on a bearish trajectory in early trading as dollar demand from corporate players inundated the market. However, the domestic unit reversed all its losses as dollar sellers emerged from the shadows to take advantage of the perceived good price and close the session stronger. By close of trade, the local currency stood at 103.65/85, as compared to Thursday's close of 103.70/90.

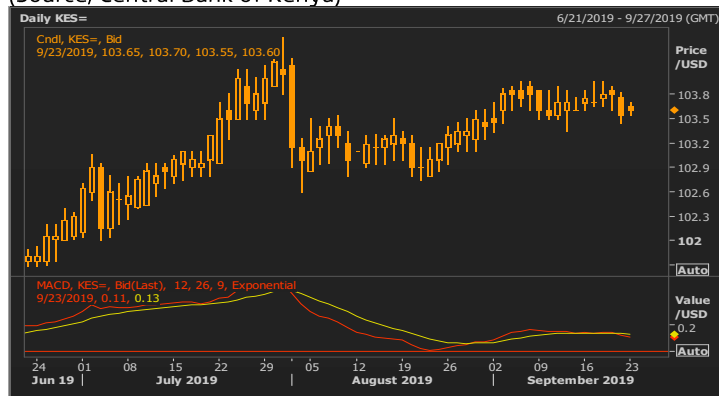
In the new week, we see the local currency maintain its current theme of range-bound trading as foreign currency flows continue to guide direction in absence of any noteworthy impulse. That said, the recent victory of the local unit may be capped as we draw closer to the end of the month whereby we expect importer demand to pick up.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.25	107.25	101.25	106.25
GBP/KES	125.45	133.45	125.95	132.95
EUR/KES	110.85	117.85	111.35	117.35
AED/KES	26.75	29.75	26.75	29.75

Money Market Rates	Current	Previous	Change
Interbank Rate	6.986%	7.043%	-0.057
91-Day T-bill	6.368%	6.315%	0.053
182-Day T-Bill	7.150%	7.143%	0.007
364-Day T-Bill	9.705%	9.582%	0.123
Inflation	5.000%	6.270%	-1.270
CBR RATE	9.00%	9.00%	0.000

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar gained ground on Friday after Federal Reserve Vice Chairman Richard Clarida said that all voting members of the central bank believe the U.S. economy is in a good place. He also noted the issues in the repo market were not a reason for concern, as it was due to larger-than-expected quarterly tax payments and Treasury bond sales. The New York Federal Reserve jumped into the overnight markets for four consecutive days this week, injecting money in an attempt to keep interest rates from rising. In the meantime, the United States removed tariffs from more than 400 Chinese products in response to requests from U.S. companies. This came after the U.S. Trade Representative's office issued a brief statement characterizing the two days of talks with China as "productive."

The GBP/USD pair tumbled to 1.2484. On the Brexit front, the EU-UK Brexit negotiators are still at loggerheads as far as the Irish border issue is concerned. Meanwhile, the US President Donald Trump and the United Kingdom's Prime Minister recently agreed to sign a trade deal by July 2020 in a lightning-fast speed.

The euro fell to 1.1025 at press time and may gather upside traction in Europe if the preliminary German and Eurozone Purchasing Managers' Indices beat estimates.

The Japanese yen started out in Asia for the week a touch higher at 107.45 as sentiment for trade talks remains on track, if not a little delicate following Friday's comments from US President Trump who has signalled a lack of a sense of urgency to secure a deal before the US Presidential elections in the Autumn of 2020.

Elsewhere, global oil prices inched up to \$64.95, on Monday following reports that full recovery of Saudi Arabia's oil fields hit by the drone attack may take many months.

Indicative Profit Rates on Deposits

Amounts > 10 Million	Indicative Profit Rates on Deposits	
	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	1.1000	1.1150
GBP/USD	1.2400	1.2510
USD/AED	3.6675	3.6775
USD/JPY	107.05	108.20

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