

TREASURY MARKET UPDATE 24TH JUNE 2019

DOMESTIC NEWS

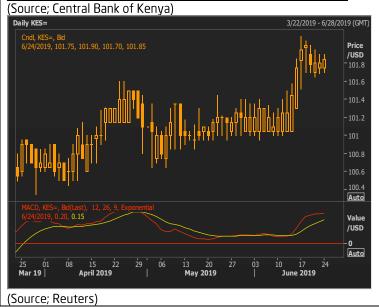
The Kenyan shilling weakened against the dollar on Friday due to increased dollar demand from the energy and manufacturing sectors. At the close of trade, the local unit was quoted at 101.95/05, as compared to the previous day's close of 101.80/00.

Elsewhere, overnight interbank rates were relatively stable as liquidity conditions somewhat improved. CBK has stayed out of the repo market since 21st June 2019.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.40	105.40	99.40	104.40
GBP/KES	125.90	133.95	126.40	133.50
EUR/KES	112.40	119.45	112.95	118.90
AED/KES	26.24	29.24	26.24	29.24

Money Market Rates	Current	Previous	Change
Interbank Rate	2.779%	2.89%	-0.215
91-Day T-bill	6.814%	6.895%	-0.081
182-Day T-Bill	7.578%	7.723%	-0.145
364-Day T-Bill	9.050%	9.263%	-0.213
Inflation	5.490%	6.580%	-1.090
CBR RATE	9.00%	9.00%	0.000



INTERNATIONAL NEWS

The U.S. dollar extended losses on Monday in Asia after trading lower for three straight sessions as the U.S. Federal Reserve signalled it was prepared to cut interest rates later this year to counter a global economic slowdown, exacerbated by global trade tensions. On the Sino-U.S. trade, the U.S. put five more Chinese tech entities on a trade, raising uncertainty of whether a trade deal could be struck, just a few days ahead of the summit. President Donald Trump and Chinese President Xi Jinping have both confirmed that they will be meeting each other at the summit to discuss trade-related issues.

Meanwhile, the GBP/USD pair to remain strong around 12-day high, the pair lacks fresh catalysts to extend its latest upswing as it seesaws near 1.2750 ahead of the UK open on Monday. The latest pressure on the UK Prime Minister (PM) candidate Boris Johnson should have weighed down the British Pound over political uncertainty.

The euro is currently trading at \$1.1384, as it remained on the back foot amid expectations for the Federal Reserve to cuts interest rates later this year and the possibility of the European Central Bank having to ease policy.

Elsewhere, the Japanese Yen is trading at 107.42, the yen, which often serves as a haven in times of political angst, fell against the dollar today even after tensions grew between Iran and the U.S.

Oil prices rose on Monday to \$65.46, extending gains from last week, bolstered as tensions remain high between Iran and the United States after U.S. Secretary of State Mike Pompeo said "significant" sanctions would be announced on Tehran.

Indicative Profit Rates on Deposits						
Amounts > 10	Million	Amounts >100,000				
K	ŒS	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	1.1280	1.1410				
GBP/USD	1.2620	1.2850				
USD/AED	3.6675	3.6775				
USD/JPY	106.60	108.40				

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