



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 24TH SEPTEMBER 2019

DOMESTIC NEWS

The shilling was the under-achiever in Monday's trading against the U.S dollar, as tenacious greenback appetite from various sectors of the economy hampered the local unit's quest for dominance. The trifling foreign currency inflows witnessed from various sectors of the economy, did little to save the local unit from losses. By close of trade, the local currency stood at 103.70/90, as compared to Friday's close of 103.65/85.

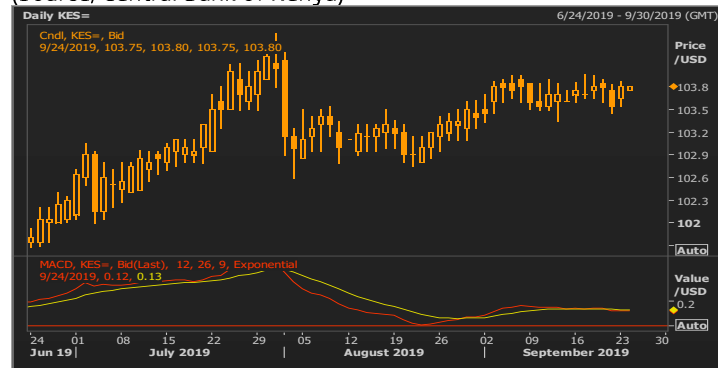
In other news, Kenya's central bank held its benchmark lending rate at 9.0% on Monday, saying inflation was well anchored within the government's preferred range and that the economy was operating close to its potential. Policymakers have held the benchmark rate for seven straight meetings, but they said that stance could change soon. "The Committee also noted the prospective tightening of fiscal policy which would provide scope for accommodative monetary policy in the near term," it said in a statement.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.30	107.30	101.30	106.30
GBP/KES	125.00	133.00	125.50	132.50
EUR/KES	110.55	117.55	111.00	117.00
AED/KES	26.76	29.76	26.76	29.76

Money Market Rates	Current	Previous	Change
Interbank Rate	7.451%	6.986%	0.465
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 rose to 98.238 on Monday, amid trade concerns, after a Chinese delegation ended its U.S. trip early. Both sides said the talks were constructive, but neither gave any details about what was discussed. Chinese officials were expected to visit various farming regions but announced on Friday that they were returning home earlier than expected, fueling speculation over trade uncertainty. In the meantime, St Louis Fed President James Bullard and Chicago Fed President Charles Evans will deliver speeches this week. Their comments will come after last week's Fed meeting pointed to growing divisions among officials over the future direction of monetary policy.

The GBP/USD pair fell to 1.2431. Sterling stumbled after the European Union's Brexit negotiator said it was unlikely a Brexit deal would be made if U.K. Prime Minister Boris Johnson insisted the Irish backstop deal be dropped. In addition, investors will have all eyes on the UK Supreme Court Ruling today, which will decide whether the UK PM acted unlawfully, by misguiding the Queen, when he recently prorogued the Parliament till October 14.

The euro was weaker at 1.0989, on Monday after data showed that Germany's private sector shrank for the first time in more than six years, raising concerns over a deepening recession in the euro zone's biggest economy.

The Japanese yen came under pressure at 107.61, possibly due to the minor drop in the Treasury yields. Bank of Japan Governor Kuroda is scheduled to speak today. The central bank head is likely to reiterate the willingness to ramp up massive stimulus program.

Elsewhere, global oil prices were down on Tuesday to \$64.42, in Asia following the release of weak economic data from Japan and Europe, sparking concerns of a gloomy outlook for oil demand.

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	1.0900	1.1130
GBP/USD	1.2400	1.2505
USD/AED	3.6675	3.6775
USD/JPY	107.05	108.10

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