



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH JUNE 2019

DOMESTIC NEWS

The Kenyan shilling was relatively stable against the dollar on Monday owing to well matched inflows and outflows. At the close of trade, the local unit was quoted at 101.90/00, the same as the previous day's close.

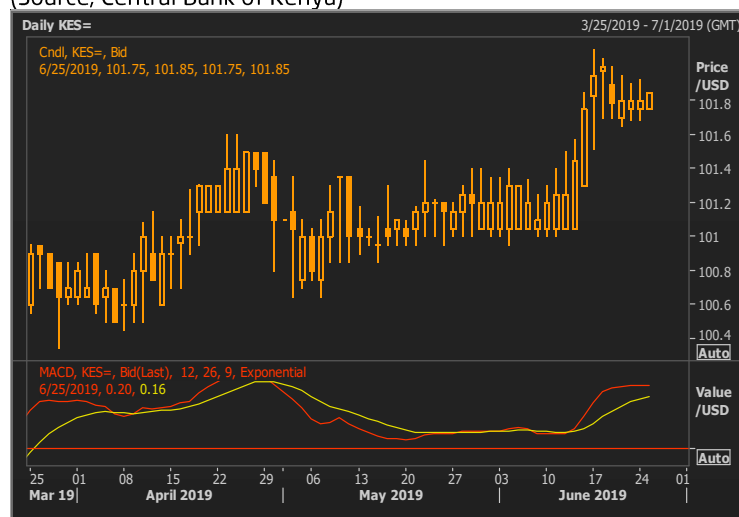
The Central Bank of Kenya was in the market in a bid to mop KES 15 billion in 7 and 14 days repo on 24th June 2019. It received bids worth KES 24.25 billion and accepted KES 15.00 billion at a weighted average rate of 4.722% for the 7- day and 7.19% for 14-day.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.45	105.45	99.45	104.45
GBP/KES	126.00	134.00	126.50	133.60
EUR/KES	112.80	119.80	113.30	119.30
AED/KES	26.26	29.26	26.26	29.26

Money Market Rates	Current	Previous	Change
Interbank Rate	2.944%	2.779%	0.165
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

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The dollar hit a multi-month low in Asia on Tuesday on the prospects of monetary easing by the Federal Reserve. Fed Chairman Jerome Powell and a few other of its policymakers are due to speak later Tuesday. In addition, The US-Iran conflict escalated after the Iranian Foreign Ministry Spokesman responded to the US President Trump's fresh sanction on Iran, citing that the new US new sanctions mean diplomatic path is closed 'forever'. Tensions between the two countries have been fragile since the White House decided to withdraw from the UN-backed 2015 Iran nuclear agreement.

Meanwhile, the GBP/USD pair continues to trade on the front foot near 1.2750 heading into the London open on Tuesday. The British Prime Minister Candidate Boris Johnson appeared for the interview with the BBC. Mr. Johnson repeated his Brexit deadline pledge while showing preparedness to take help of the EU resources in case of a hard Brexit.

The euro is currently trading at 1.1408, hitting highest level since March 21. The euro will take cues from a speech by the European Central Bank Member De Guindos due today plus the US housing data and consumer confidence.

Elsewhere, the Japanese Yen is trading at 106.82, a bit more of a nudge lower as the pair falls below the 107.00 handle.

Oil prices fell on Tuesday to \$63.72 even after the U.S. slapped sanctions on Iran this week after the latter shot down an unmanned American drone last week. "We will continue to increase pressure on Tehran until the regime abandons its dangerous activities," including its nuclear ambitions, Trump told reporters in the Oval Office.

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	1.1350	1.1480
GBP/USD	1.2680	1.2850
USD/AED	3.6675	3.6775
USD/JPY	106.10	107.50

For more details, contact our Treasury staff- Peter, Michael and Loryne on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.