



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 25TH SEPTEMBER 2019

DOMESTIC NEWS

The home unit seesawed between gains and losses in early trading as demand and supply forces battled to take forefront. Nevertheless, the mid-afternoon session proceeded at a snail pace as several interbank and corporates players were on scene roiling the market in search for decent offers on the US dollar. This saw the shilling chase the elusive dollar and caught up with the greenback due to well matched inflows and outflows. By close of trade, the local currency stood at 103.70/90, same as Monday's close.

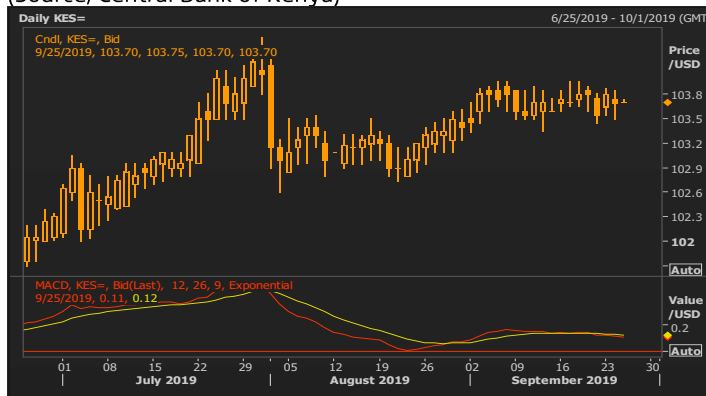
In the new day, we expect the home unit's price action to be somewhat limited, as players navigate these ranges. That said, the current trading ranges continue to be mainly flow driven with fundamentals taking a back seat in the interim. In other news, the monetary authority mopped up KES 25Billion in excess liquidity at a weighted average rate of 8.988% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.30	107.30	101.30	106.30
GBP/KES	125.35	133.35	125.85	132.85
EUR/KES	110.65	117.65	111.15	117.15
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 98.107 as investors watch for developments in the U.S. after House Speaker Nancy Pelosi announced a formal impeachment inquiry into President Donald Trump. "The actions of the Trump presidency revealed the dishonorable fact of the president's betrayal of his oath of office, betrayal of our national security and betrayal of integrity of our elections," Pelosi said in remarks to the nation. "Therefore, today, I'm announcing the House of Representatives is moving forward with an official impeachment inquiry. Separately, Trump said at the United Nations General Assembly in New York that he will not accept a "bad deal" in trade with China. His comments kept markets on edge as the two sides prepare planned high-level talks in October.

The GBP/USD pair lost to 1.2466. The Brexit situation remained in the spotlight after the British Supreme Court ruled U.K. Prime Minister Boris Johnson's decision to suspend Parliament was unlawful. Following the announcement, the House of Commons Speaker announced that the Parliament will reconvene on Wednesday wherein the Commons leader will set out the business plan for the week.

The euro, which was battered by weak euro zone economic data earlier this week, inched down to \$1.1001.

The Japanese yen is extending gains to 107.30, on reports that China is planning to buy more US farm products as a goodwill gesture ahead of the next month's high-level trade talks.

Elsewhere, global oil prices fell to \$62.63, on Wednesday on worries that fuel demand could fall after U.S. President Donald Trump doused recent optimism over China-U.S. trade talks and reignited concerns about global economic growth.

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	1.0905	1.1110
GBP/USD	1.2410	1.2515
USD/AED	3.6675	3.6775
USD/JPY	107.05	108.05

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