



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 26<sup>TH</sup> JUNE 2019

### DOMESTIC NEWS

The Kenyan shilling weakened against the dollar on Tuesday due to end month demand from the energy and manufacturing sectors. At the close of trade, the local unit was quoted at 102.15/35, as compared to previous day's close of 101.90/00.

Elsewhere, overnight rates were relatively stable as liquidity conditions somewhat improved. CBK stayed out of the market on Tuesday, 25<sup>th</sup> June 2019.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.75	105.75	99.75	104.75
GBP/KES	125.60	133.60	126.10	133.10
EUR/KES	112.60	119.60	113.20	119.20
AED/KES	26.34	29.34	26.34	29.34

Money Market Rates	Current	Previous	Change
Interbank Rate	2.714%	2.944%	-0.230
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 U.S. dollar rose on Wednesday in Asia, U.S. Federal Reserve chairman Jerome Powell's comments were in focus today as he said the central bank is "insulated" from political pressures. In the past, Trump has openly pressured Powell and his colleagues to loosen policy, saying lower rates would give an added boost to an economy. "Despite a Federal Reserve that doesn't know what it is doing - raised rates far too fast (very low inflation, other parts of world slowing, lowering & easing) & did large scale tightening, \$50 Billion per month, we are on course to have one of the best Months of June in U.S. history," the President tweeted.

Meanwhile, the GBP/USD pair trades modestly flat near 1.2685 ahead of the London open on Wednesday. Prime Minister candidate Boris Johnson's pledge to crash out of the EU on October 31 and sluggish CBI data, triggered the cable's recent pullback. The sterling today will be taking cues from a speech by the Bank of England Governor Mark Carney.

The euro is currently trading at 1.1355, as it awaits economic data from US durable goods for May and German Consumer Confidence Survey.

Elsewhere, the Japanese Yen pair was up 0.3% to 107.47, on the back of Fed's governor Powell speaking in New York who said that the rate-setting Federal Open Market Committee will be calling for an additional policy accommodation.

Oil prices rose more than 1% on Wednesday to \$66, the highest in nearly a month as industry data showed U.S. crude stockpiles fell more than expected, underpinning a market already buoyed by worries over a potential U.S.-Iran conflict.

#### 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	1.1300	1.1390
GBP/USD	1.2620	1.2760
USD/AED	3.6675	3.6775
USD/JPY	106.80	107.90

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