



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH SEPTEMBER 2019

DOMESTIC NEWS

The shilling waffled to the weaker side in mid week trading as demand for the greenback dominated the session. The climb up was however not without resistance as foreign currency inflows tried to overshadow demand at specific ranges crafting a seesaw crusade as the pair sought to find its final equilibrium by paring its losses. By the closing bell, the local currency stood at 103.80/00, as compared to Tuesday's close of 103.70/90.

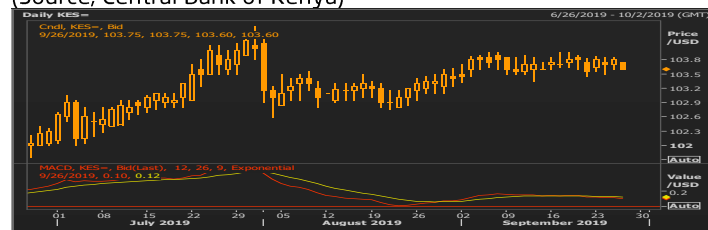
Looking ahead, the domestic unit is likely to continue trading within recent ranges if the lull in activity in the local FX market continues to manifest. In other news, Kenya's parliament rejected on Wednesday the Finance Ministry's request to scrap commercial lending rate caps, a lawmaker who was present during a vote on the 2019/20 (July-June) fiscal budget said. Lawmakers voted by acclamation to reject the Finance Ministry's request on the caps contained in the 2019/20 budget, although they also backed a measure passed by parliament's finance committee making the language on the caps limit clearer. The finance ministry had sought to repeal the rate cap, arguing that it has cut private-sector credit growth as banks shunned lending to customers deemed risky, including small and medium-sized businesses.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.40	107.40	101.40	106.40
GBP/KES	125.50	132.50	125.00	132.00
EUR/KES	110.35	117.3	110.85	116.85
AED/KES	26.79	29.79	26.79	29.79

Money Market Rates	Current	Previous	Change
Interbank Rate	7.451%	7.451%	0.312
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 a one-and-a-half-week high on Wednesday after the release of a transcript between U.S. President Donald Trump and Ukrainian President failed to intensify an impeachment inquiry from Congress. The House opened an inquiry over whether Trump sought help from Ukraine to investigate political rival and former Vice President Joe Biden in exchange for foreign aid. The transcripts revealed that Trump did ask Ukrainian President to investigate corruption charges that were dropped against Biden's son, but no direct mention of foreign aid was made. "There's a lot of talk about Biden's son, that Biden stopped the prosecution and a lot of people want to find out about that so whatever you can do with the Attorney General would be great," Trump said.

The GBP/USD pair was down to 1.2368. The pound fell to one-and-a-half week lows against the dollar on Wednesday, pressured lower by the prospect of early U.K. elections with just five weeks to go until the Brexit deadline. U.K. Attorney-General said a motion for a general election will be brought to parliament "shortly".

The euro, is operating on slippery grounds, having printed a weakest daily close in over two years on Wednesday at 1.0958, it could drop below 1.09 if the European Central Bank President Draghi defends his recent decision to restart the bond-buying program.

The Japanese yen is currently trading at 107.65. The Bank of Japan trimmed purchases of bonds maturing in five to 10 years, but the move failed to move the needle on the JPY pairs.

Elsewhere, global oil prices were stable on Thursday at \$56.50 in Asia on positive trade news. U.S. President Donald Trump told reporters overnight that a trade agreement with China could happen "sooner than you think," rasing hopes of global 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	1.1120
GBP/USD	1.2300	1.2405
USD/AED	3.6675	3.6775
USD/JPY	107.05	108.10

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