



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 27<sup>TH</sup> JUNE 2019

### DOMESTIC NEWS

The Kenyan shilling strengthened slightly against the dollar on Wednesday due to support from dollar inflows from investors buying local government securities overshadowing end month demand from the energy sectors. At the close of trade, the local unit was quoted at 102.00/20, as compared to previous day's close of 102.15/35.

Elsewhere, the CBK was in the repo market in a bid to mop KES 5.00 billion in the 7-day Repo on 26<sup>th</sup> June 2019. It received bids worth KES 19.10 billion and accepted bids worth KES 5.00 billion at a weighted average rate of 3.00%.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.65	105.65	99.65	104.65
GBP/KES	125.55	133.55	126.05	133.05
EUR/KES	112.40	119.60	113.00	118.90
AED/KES	26.31	29.31	26.31	29.31

Money Market Rates	Current	Previous	Change
Interbank Rate	2.477%	2.714%	-0.237
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 hovered near a one-week high on Thursday, propped up by hopes of Sino-U.S. trade talk progress though investors were nonetheless cautious ahead of a meeting between leaders of the two powers in Japan in days ahead. U.S. President Donald Trump said on Wednesday a trade deal with Chinese President Xi Jinping was possible this weekend, but he stressed possible U.S. tariffs on virtually all remaining Chinese imports if disagreement continues. Details of the agreement, which would halt the next round of U.S. tariffs on an additional \$300 billion of Chinese goods, are being laid out in press releases and will be out as coordinated press releases and not a joint statement.

Meanwhile, the GBP/USD pair trades modestly flat near 1.2680 while heading into the London open on Thursday. Final candidates for the UK Prime Minister's post, namely Boris Johnson and Jeremy Hunt, recently took part in the digital hustings to lure Conservatives. That said, the frontrunner Boris Johnson's U-turn from previous Brexit bias got major market attention.

The euro is currently trading at 1.1350, on the defensive at press time despite reports of US-China trade truce. It is worth noting that easing of trade tensions between the US and China, if any, would also ease pressure on the US Federal Reserve to cut rates.

Elsewhere, the Japanese Yen is trading at 108.09, higher possibly due to reports the US and China have agreed to another truce in their trade war.

Oil prices fell on Thursday to \$66.30, erasing some of the previous session's gains, as traders await the OPEC meeting.

### Indicative Profit Rates on Deposits

	Amounts > 10 Million KES	Amounts >100,000 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	1.1290	1.1370
GBP/USD	1.2630	1.2760
USD/AED	3.6675	3.6775
USD/JPY	107.50	109.20

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