



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH MAY 2019

DOMESTIC NEWS

Inflows from offshore investors buying government debt supported end-month dollar demand from oil importers which had paired pressure on the local currency in active trading. At the close of trade, the local unit was quoted at 101.15/35, compared to the previous close of 101.20/40.

The local currency is likely to trade with today in the 100.95- 101.60 levels. Elsewhere, the Central Bank of Kenya was in the seven-day reverse repo last week on Friday for KES 7.00 billion as liquidity was skewed in the market.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.75	104.75	98.75	103.75
GBP/KES	125.00	133.00	125.50	132.50
EUR/KES	110.01	117.01	110.51	116.51
AED/KES	26.07	29.07	26.07	29.07

Money Market Rates	Current	Previous	Change
Interbank Rate	5.366%	5.373%	-0.007
91-Day T-bill	7.085%	7.196%	-0.111
182-Day T-Bill	7.738%	7.897%	-0.159
364-Day T-Bill	9.312%	9.316%	-0.004
Inflation	6.58%	4.35%	2.230
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. has put the Chinese telecom equipment giant Huawei Technologies Co Ltd to a blacklist, effectively banning the company to do business with U.S. firms. In response, China has stepped up support for cash-strapped manufacturing firms by pledging billions of dollars in additional tax cuts and infrastructure spending, while its central bank has also announced a cut in three phases in the reserve requirement ratio for regional banks to reduce small companies' financing costs.

Meanwhile, the GBP/USD pair rose 0.2% to 1.2737. The pair was moved by news on Friday that U.K. Prime Minister Theresa May announced her resignation effective June 7. Chances of a "no deal" Brexit scenario has increased as four of eight leadership hopefuls said the U.K. must leave the EU on Oct. 31 even if this means a no-deal Brexit.

The euro is trading at 1.1214 at press time - the highest level since May 16 - despite the Eurosceptic parties gaining ground in the European Union (EU) elections, which concluded on Sunday.

Elsewhere, the Japanese Yen pair gained 0.2% to 109.44 after U.S. President Donald Trump said the U.S. is making "great progress" in trade negotiations with Japan. A trade deal will not happen before the country's elections in July.

Oil prices were under pressure on Monday at \$68.73 per barrel following their biggest drops this year the week before, as concerns over the Sino-U.S. trade war could trigger a broad economic slowdown dragged, although OPEC's supply cuts provided some support.

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	1.1150	1.1290
GBP/USD	1.2650	1.2860
USD/AED	3.6675	3.6775
USD/JPY	109.10	110.50

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