



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH SEPTEMBER 2019

DOMESTIC NEWS

The local foreign exchange market experienced calm on Thursday with the Kenya shilling trading within a narrow band against the U.S. unit. Paltry dollar inflows just about matched demand for foreign currency from the corporate sector and left the USDKES currency pair a mere higher by the closing bell. By the closing bell, the local currency stood at 103.65/85, as compared to Wednesday's close of 103.70/90.

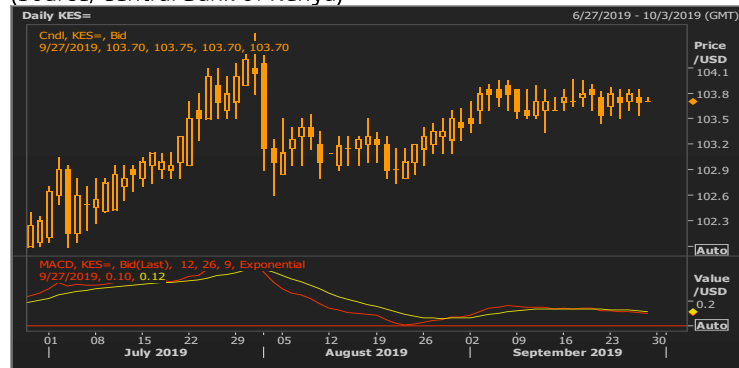
Looking further, the pair is likely to trade within the latest trading range albeit with a bearish tinge as we anticipate end month activity to gradually pick up on the foreign currency demand counter. That said, the current trading ranges continue to be mainly flow driven with fundamentals taking a back seat in the interim. Ahead of the weekend, we expect the local unit to be marooned within the contemporary boundary in absence of any noteworthy impulse. In other news, the monetary authority mopped up KES 10Billion in excess liquidity at a weighted average rate of 8.976% 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	123.95	131.95	124.45	131.45
EUR/KES	109.85	116.85	110.35	116.35
AED/KES	26.76	29.76	26.76	29.76

Money Market Rates	Current	Previous	Change
Interbank Rate	7.451%	7.451%	0.312
91-Day T-bill	6.307%	6.368%	-0.061
182-Day T-Bill	7.175%	7.150%	0.025
364-Day T-Bill	9.777%	9.705%	0.072
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 was flat at 98.697 on Thursday, as investors remained on edge over recent developments related to an impeachment inquiry into U.S. President Donald Trump. A House committee released a whistleblower report that alleges Trump tried to get Ukraine to investigate the son of former VP Joe Biden, who is one of the top candidates for the 2020 presidential election. The report claims that the White House had tried to lock down a transcript of the call between Trump and the Ukrainian President, which was released Wednesday. The U.S. House of Representative had started the impeachment inquiry earlier this week over the allegations.

The GBP/USD pair gained 0.1% to 1.2355 as traders seem to be tired of Brexit/political deadlock. The United Kingdom's Prime Minister Boris Johnson witnessed another defeat in the House of Commons while applying for a short recess to emphasize on the Conservative Party's annual conference starting from Sunday. Additionally, opposition targeted the PM's language and a lack of getting Brexit results to further humiliate the Tory leader.

The euro declined to 1.0934. The single currency slipped to a fresh two-year low pressured by an increasingly weak outlook for the euro zone.

The Japanese yen has been trading between 107.66 and 107.85 in Asia, a touch lower on the session. despite the uncertainties around trade relations between the US and China and mixed equities.

Elsewhere, global oil prices fell on Friday in Asia to \$62.16 after Saudi Arabia said its oil production was up and fully running. The fall in prices came after the kingdom said it has recovered from the September attack on its energy facilities.

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	1.2300	1.2420
USD/AED	3.6675	3.6775
USD/JPY	107.10	108.05

For more details, contact our Treasury staff- Peter, Michael and Loryne on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.