



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 28TH JUNE 2019

DOMESTIC NEWS

Surging end month dollar demand from the energy and manufacturing sector saw the Kenya shilling weaken marginally against the greenback on Thursday, outweighing dollar inflows from remittances and foreign investors buying government debt. At close of trade, the local unit stood at 102.20/40, compared to Wednesday's close of 102.00/20. We expect the shilling to remain under pressure in the coming week due to sustained end of month importer dollar demand amid excess liquidity in the local money market.

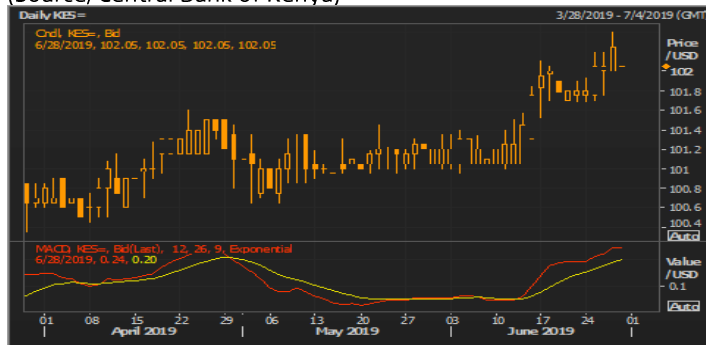
Meanwhile, CBK was in the Repo market for a second day running on Thursday to mop KES 30 billion in excess liquidity in the 7-day and 14-day Repo. It received bids worth KES 2.7 billion and KES 35.3 billion and accepted bids worth KES 2.7 billion at 2.933% and KES 27.3 billion at 6.585% for the 7-day and 14-day repo respectively.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.80	105.80	99.80	104.80
GBP/KES	125.60	133.60	126.10	133.10
EUR/KES	112.75	119.75	113.25	119.25
AED/KES	26.35	29.35	26.35	29.35

Money Market Rates	Current	Previous	Change
Interbank Rate	2.266%	2.4779%	-0.251
91-Day T-bill	6.738%	6.814%	-0.076
182-Day T-Bill	7.487%	7.578%	-0.091
364-Day T-Bill	8.759%	9.050%	-0.291
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 held relatively steady against major global currencies early on Friday as investors awaited a crucial meeting between the leaders of the U.S. and China at a Group of 20 summit over the weekend for any signs of progress to end their heated trade war.

The U.S. and China have already imposed tariffs of up to 25% on hundreds of billions of dollars of each other's goods in a dispute about China's trade practices that has lasted nearly a year. The drawn-out trade war has slowed global growth and pushed many central banks toward cutting interest rates to support their economies. Any sign the trade war will come to an end would be a significant boost for the global economic outlook.

Meanwhile, the GBP/USD pair was unchanged at \$1.2670, on course for a 0.6% weekly decline on uncertainty about who will be Britain's next PM and on worries about whether the nation would be able to avoid a no-deal, chaotic exit from the E.U.

The euro last traded at \$1.1360, unchanged on the week. However, analysts say sentiment on the single currency remains weak due to speculation the European Central Bank will ease monetary policy.

The Japanese yen traded at 107.75, little changed on the day but on course for a 0.4% gain this week.

Elsewhere, global oil prices eased on Friday in a cautious market, as traders eyed the G20 meeting and OPEC+ meetings on July 1-2 in Vienna to decide whether to extend their supply cuts. Brent crude futures were down 0.6% to settle at \$66.15 per barrel.

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	1.1310	1.1410
GBP/USD	1.2620	1.2720
USD/AED	3.6675	3.6775
USD/JPY	107.25	108.25

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