



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 28TH MAY 2019

DOMESTIC NEWS

The Kenyan shilling was relatively stable against the dollar on Monday with inflows from diaspora remittances and offshore investors helping balancing end month dollar demand from oil and merchandise importers. At the close of trade, the local unit was marginally stronger at 101.15/35, the same as the previous day's close.

Kenya's central bank left its benchmark lending rate unchanged at 9.00% on Monday, but the monetary policy committee said it would keep an eye on recent food and fuel price rises that could fuel inflation. It was the fifth time in a row the bank has held rates.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	124.41	132.41	124.91	131.91
EUR/KES	109.79	116.79	110.29	116.29
AED/KES	26.08	29.08	26.08	29.08

Money Market Rates	Current	Previous	Change
Interbank Rate	5.252%	5.366%	-0.114
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

Trump said on Monday that the U.S. is not ready to make a deal with China and that American tariffs on Chinese goods could go up very substantially and easily. The Presidents' thoughts were they probably wish they made the deal that they had on the table before they tried to renegotiate it. China will report its May economic performance on Friday. According to analysts, the official manufacturing PMI will likely contract because of the trade war with the U.S.

Meanwhile, the GBP/USD pair clings to 1.2680 while heading into the London open on Tuesday. The European Parliament elections couldn't have been much disappointing for the Tories as Nigel Farage's recently found Brexit Party topped all the other political parties. Lawmakers have filed their nominations to replace Theresa May as the UK's Prime Minister after her departure on June 07, ex-Foreign Minister Boris Johnson is leading the race.

The euro was down 0.1% to 1.1181. The currency pair rose earlier in the day after the European Union parliamentary elections showed a polarization of the 28-member block.

Elsewhere, the Japanese Yen pair last traded at 109.47, down 0.02%. Trump put pressure on Tokyo to reduce the nation's large trade surplus with the U.S.

Oil prices were down 0.1% to \$68.73 on Tuesday in Asia as traders weighed the latest development in the trade war between the U.S. and China and continued support from OPEC's supply cut.

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	1.1140	1.1280
GBP/USD	1.2630	1.2850
USD/AED	3.6675	3.6775
USD/JPY	109.20	110.60

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