



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 29TH MAY 2019

DOMESTIC NEWS

The Kenyan shilling weakened on Tuesday due to increased dollar demand from oil companies. At the close of trade, the local unit was quoted at 101.25/45, as compared to the previous day's close of 101.20/40.

Elsewhere, the CBK Governor mentioned that a delay in the onset of the long rains season in Kenya this year could shave off as much as 0.4 percentage points from the central bank's growth forecast of 6.3 percent. CBK has stayed out of the repo market from Friday last week.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	124.23	132.23	124.73	131.73
EUR/KES	109.59	116.59	110.09	116.09
AED/KES	26.08	29.08	26.08	29.08

Money Market Rates	Current	Previous	Change
Interbank Rate	4.996%	5.252%	-0.256
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

Huawei filed a lawsuit against the U.S. government and challenged the constitutionality of a U.S. law banning federal agencies from buying its products. The news came in the wake of escalating U.S.-China tensions after Trump hiked tariffs on \$200 billion of Chinese goods from 10% to 25%.

Meanwhile, the GBP/USD pair trades modestly unchanged at 1.2660 ahead of the London open on Wednesday. The pair slipped to yesterday's low near 1.2650 during the early Asian session on the UK Mirror's news of indicating Brexit uncertainty on the opposition Labour party leader Jeremy Corbyn's support for the second referendum. Adding to the woes were quarterly results of the Confederation of British Industry (CBI) that portrayed all around pessimism for service sector companies in the UK.

The euro is trading on the back foot near 1.1165 at press time despite the fresh multi-month lows in the US treasury yields and could suffer a deeper drop if the German jobs data due later today misses expectations.

Elsewhere, the Japanese Yen is currently trading at 109.39, having hit a low of 109.15 earlier today. It has recovered from session lows despite the US 10-year treasury yield hitting a fresh 20-month low of 2.24%.

Oil prices fell on Wednesday to \$69.60 a barrel on concerns the Sino-U.S. trade war could trigger a global economic downturn, but relatively tight supply amid OPEC output cuts and political tensions in the Middle East offered some support.

Indicative Profit Rates on Deposits

	Amounts > 10 Million	
	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	1.1135	1.1230
GBP/USD	1.2630	1.2840
USD/AED	3.6675	3.6775
USD/JPY	109.10	110.50

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