



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 02ND JULY 2019

DOMESTIC NEWS

The Kenyan shilling was under pressure against the greenback on Monday due to dollar demand from the manufacturing sector. By close of business, the local currency was a tad lower at 102.70/90 compared to Thursday's close of 102.30/50. The local unit touched a one and a half high last seen in January 2018.

Kenya's economic growth slowed in the first quarter of this year compared with the same period last year due to dry weather which curbed the farming sector, the statistics office said on Monday. The Kenya National Bureau of Statistics said the economy grew 5.6% year-on-year from 6.5% in the same quarter last year.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.25	106.25	100.25	105.25
GBP/KES	125.85	133.85	126.35	133.35
EUR/KES	112.49	119.49	112.99	118.9
AED/KES	26.47	29.47	26.47	29.47

Money Market Rates	Current	Previous	Change
Interbank Rate	1.933%	1.944%	-0.011
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	5.700%	5.490%	0.210
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

President Donald Trump said on Monday that any trade deal with China would need to be "somewhat tilted" in favor of the United States. U.S. President Donald Trump also offered concessions, including an easing of restrictions on tech company Huawei. The outcome of the G20 was not in fact a true improvement for the state of trade around the world. Instead, it was an unexpected status quo - whereby the US didn't follow through with escalations, but negotiations would continue - which will struggle to tap genuine conviction. Meanwhile, the US Dollar gained ground as the Sino-US trade truce tempered expectations of very aggressive US Federal Reserve rate cuts.

The GBP/USD pair fails to portray the latest pullback of the US Dollar amid political uncertainty at the UK. The quote takes the rounds to 1.2642 while heading into the London open on Tuesday. Monthly Construction PMI data and speech from the Bank of England (BOE) Governor Mark Carney will be the key to watch going forward. On the other hand, the frontrunner for the UK Prime Minister's (PM) post, Boris Johnson, is considering a proposal to cut short the British Cabinet by merging/removing few departments off the government if he becomes the PM.

The euro is currently trading at 1.1287, falling well below 1.13 on Monday. The common currency was offered as German manufacturing PMI for June fell short of expectations.

The yen is trading largely unchanged on the day at 108.41, having hit a low of 108.27 earlier today, as markets assess positive outlooks.

Oil prices fell on Tuesday to \$65.05 in Asia even after the OPEC agreed to extend production cuts by nine months. The deal is subject to approval from non-OPEC allies, such as Russia.

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	1.1200	1.1310
GBP/USD	1.2580	1.2700
USD/AED	3.6675	3.6775
USD/JPY	108.00	109.00

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.