



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH MAY 2019

DOMESTIC NEWS

The Kenyan shilling edged down on Wednesday due to companies in the energy and manufacturing sectors buying dollars to meet their end month obligations. At the close of trade, the local unit was quoted at 101.35/55, as compared to the previous day's close of 101.20/40.

The local currency is likely to trade with a bearish tone today if end month dollar buying from importers persists. Elsewhere, the CBK was in the seven-day reverse repo in a bid to inject KES 5.00 billion in the money markets. Interbank rates were relatively stable.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.95	104.95	98.95	103.95
GBP/KES	124.16	132.16	124.66	131.66
EUR/KES	109.48	116.48	109.98	115.98
AED/KES	26.12	29.12	26.12	29.12

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6942%	4.996%	-0.301
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

The US dollar was mixed, though mostly firmer overnight while U.S. yields took the brunt of the risk off mood following an escalation of trade war angst due to various media reporting on Chinese retaliation measures. China's Vice Foreign Minister reported that Beijing could use rare earths to strike back at Washington after U.S. President Donald Trump remarked he was "not yet ready" to make a deal with China over trade.

Meanwhile, the GBP/USD pair moves around 1.2630 ahead of the London open on Thursday. Today's speech by the Bank of England's (BOE) Deputy Governor David Ramsden and the US data will be the key to watch. Having witnessed British voters' favor to Brexit during recent EU election, top-line UK lawmakers have rolled their sleeves up to offer signals for an ideal Brexit proposal.

The euro appears on track to test the recent low of 1.1107, having dropped for a third straight day on Wednesday, it may print fresh 2019 lows in the session if the US reports a better-than-expected first quarter GDP.

Elsewhere, the Japanese Yen is currently trading at 109.59, it was surprisingly offbeat considering the trade war angst and relative performance in the stock markets.

Oil prices rose modestly after an industry report showed a decline in U.S. crude inventories that exceeded analyst expectations. Trade worries have weighed on oil, but supply constraints linked to the Organization of the Petroleum Exporting Countries' output cuts and political tensions in the Middle East have offered some support.

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	1.1115	1.1220
GBP/USD	1.2610	1.2850
USD/AED	3.6675	3.6775
USD/JPY	109.30	110.60

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