



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 30TH SEPTEMBER 2019

DOMESTIC NEWS

The Shilling's movement was restricted within tight ranges as calm continued to engulf the local FX market on Friday. A state of equilibrium permeated as trivial dollar inflows matched corporate demand for foreign currency, leaving the USDKES pair tucked within the current range. By the closing bell, the local currency stood at 103.75/95, as compared to Thursday's close of 103.70/90.

In the new week, market chatter alludes to range bound trading, with the domestic unit confined in a furrow against the greenback if the lull in activity in the market continues to manifest, while investors search for fresh economic fundamentals to give price direction. That said, the current trading ranges continue to be mainly flow driven with fundamentals taking a back seat in the interim.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.40	107.40	101.40	106.40
GBP/KES	123.70	131.70	124.20	131.20
EUR/KES	110.10	117.10	110.60	116.60
AED/KES	26.79	29.79	26.79	29.79

Money Market Rates	Current	Previous	Change
Interbank Rate	7.451%	7.451%	0.312
91-Day T-bill	6.307%	6.368%	-0.061
182-Day T-Bill	7.175%	7.150%	0.025
364-Day T-Bill	9.777%	9.705%	0.072
Inflation	5.000%	6.270%	-1.270
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar was somewhat stable at 98.722 on Friday after data showed that consumers spent less, and companies cut their equipment orders in August. Consumer spending on goods and services rose 0.1% in August, while durable goods orders inched up 0.2% compared to a rise of 2% in July, according to separate reports from the Commerce Department. The numbers suggest that the economy is cooling after a strong acceleration in the second quarter, putting focus on next week's monthly jobs report. Federal Reserve officials cut interest rates by a quarter point for the second time in two months due to slowing growth in the global economy and worries about trade.

The GBP/USD lost to 1.2309. Sterling recovered from earlier lows but remained in the red after Ireland's Tánaiste Simon Coveney said that the EU was ready to negotiate, but that the U.K. had not yet sent a proposal for a Brexit deal. Uncertainty over Brexit remains as U.K. Prime Minister Boris Johnson faces political pressures at home. The U.K. is expected to leave the EU on Oct. 31.

The euro hovered around \$1.0932, having sunk to a low of \$1.0904 on Friday as concerns about tepid growth in Europe weighed on the common currency.

The Japanese yen is currently trading at 107.93. The Bank of Japan's summary of opinions released in early Asia showed that there are now fewer obstacles to adding stimulus.

Elsewhere, global oil prices gained on Monday to \$61.09 in Asia as positive China data eased demand concerns and after Iranian President Hassan Rouhani was quoted saying that U.S. President Donald Trump had offered to lift all sanctions on Iran in return for talks.

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	1.0900	1.1095
GBP/USD	1.2200	1.2380
USD/AED	3.6675	3.6775
USD/JPY	107.00	108.20

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