



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 31<sup>st</sup> MAY 2019

### DOMESTIC NEWS

The Kenyan shilling strengthened against the greenback due to an ease in dollar demand coupled with inflows from investors buying local government securities. At the close of trade, the local unit was quoted at 101.25/45, as compared to the previous day's close of 101.35/55.

Elsewhere interbank rates were relatively stable as liquidity conditions somewhat improved. The World Bank has approved the \$750M loan requested by the Kenyan Government. The funds will be placed with the Treasury for budgetary support.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	123.74	131.74	124.24	131.24
EUR/KES	109.25	116.25	109.75	115.75
AED/KES	26.08	29.08	26.08	29.08

Money Market Rates	Current	Previous	Change
Interbank Rate	4.4868%	4.6942%	-0.207
91-Day T-bill	6.995%	7.085%	-0.090
182-Day T-Bill	7.651%	7.738%	-0.087
364-Day T-Bill	9.311%	9.311%	0.000
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 flat after inching down the previous day, when it snapped two straight sessions of gains amid a continuing decline in U.S. yields. Former governor of the People's Bank of China Dai Xianglong's comments that he expected no major trade breakthrough when Chinese President Xi Jinping meets with his U.S. counterpart Donald Trump next month at the G-20 meeting which dented investors sentiment.

Meanwhile, the GBP/USD pair remains modestly positive to trade near 1.2810 while heading into the London open on Friday. The opposition Labour party leader Jeremy Corbyn proposed to ask the EU for the second referendum if given the chance to become the PM.

The euro attempts recovery from two-year lows of 1.1106 continue to run into resistance just ahead of 1.1140, leaving the pair consolidating in a tight range amid escalating global trade tensions and ahead of the German Preliminary CPI release.

Elsewhere, the Japanese Yen drops to fresh lows since mid-May before trading near 108.95 during early Friday, as trade pessimism joins China PMI to strengthen risk-off.

Oil prices traded lower at \$64.62 on Friday in Asia as data showed U.S. crude inventories fell less than forecast last week. The U.S. Energy Information Administration said in its regular weekly report that crude oil inventories decreased by just 0.28 million barrels in the week to May 24.

### 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	1.1110	1.1220
GBP/USD	1.2590	1.2810
USD/AED	3.6675	3.6775
USD/JPY	108.50	110.40

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