



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 03RD JULY 2019

DOMESTIC NEWS

The Kenyan shilling weakened further against the dollar on Tuesday on the back of increased dollar demand from oil and merchandise importers. By close of business, the local currency was a tad lower at 102.95/15 compared to Monday's close of 102.70/90.

The Central Bank of Kenya will be issuing a new 15Yr bond in a bid to secure KES 40Bn, as the new financial year kicks off. The issue number is FXD3/2019/15Yr, and the bond's coupon will be market determined. The sale period closes on 23-Jul-2019, giving the market ample time to prepare for this auction.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.50	106.50	100.50	105.50
GBP/KES	125.65	133.65	126.15	133.15
EUR/KES	112.75	119.75	113.25	119.25
AED/KES	26.54	29.54	26.54	29.54

Money Market Rates	Current	Previous	Change
Interbank Rate	1.862%	1.933%	-0.071
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

The U.S. dollar was little changed on Wednesday in Asia. U.S. President Donald Trump said he is planning to nominate Christopher Waller, the executive vice president at the Federal Reserve Bank of St. Louis, and Judy Shelton, an economic adviser to the president during his 2016 campaign, to the Federal Reserve's board. In the past, Trump has openly accused current Federal Reserve chairman Jerome Powell and said the central bank has "gone crazy" for raising interest rates, rather than cutting them. On the Sino-U.S. trade front, Washington and Beijing have agreed to restart trade talks, but U.S. trade advisor Peter Navarro said a potential trade deal "will take time."

The GBP/USD pair is resting around 1.2590, on the back of overall US Dollar decline and a lack of fresh headlines from the UK, ahead of the London open on Wednesday. Although the UK Prime Minister (PM) hopeful Boris Johnson's support for no-deal Brexit is no hidden fact, the BBC reported both the candidates, namely Mr. Johnson and Jeremy Hunt, trying to lure Northern Ireland voters over soft Brexit and no hard border during their hustings.

The euro was little changed at 1.1287. The common currency slipped earlier in the day after reports that Lagarde is set to swap the helm of the IMF for that of the ECB. She would succeed Mario Draghi when his eight-year term ends in October.

The yen opened at 107.62, early Wednesday, extending the overnight losses with the US treasury yields trading at the lowest level since November 2016.

Oil prices edged higher on Wednesday to \$62.55, after the Organization of the Petroleum Exporting Countries (OPEC) agreed to extend output cuts. All OPEC and non-OPEC members including Russia voted unanimously to pass the nine-month extension.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
2 Weeks	6.50%	2.00%	2.00%	
1 Month	7.00%	2.50%	2.50%	
3 Months	8.00%	2.75%	2.75%	
6 Months	8.50%	3.50%	3.50%	
1 year	9.00%	3.75%	3.75%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1205	1.1320
GBP/USD	1.2500	1.2630
USD/AED	3.6675	3.6775
USD/JPY	107.00	108.15

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.