



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 3RD JUNE 2019

DOMESTIC NEWS

The Kenyan shilling strengthened slightly against the dollar due to an ease in dollar demand coupled with horticultural inflows. At the close of trade, the local unit was quoted at 101.20/40, as compared to the previous day's close of 101.25/45.

Kenya's year-on-year inflation fell to 5.49% in May from 6.58% a month earlier, thanks to lower food prices. On a month-on-month basis, inflation was -0.07% from 3.51% in April, the Kenya National Bureau of Statistics said.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.80	104.80	98.80	103.80
GBP/KES	124.08	132.08	124.58	131.58
EUR/KES	109.72	116.72	110.22	116.22
AED/KES	26.08	29.08	26.08	29.08

Money Market Rates	Current	Previous	Change
Interbank Rate	4.0797%	4.4868%	-0.407
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

China released a white paper on the weekend and blamed the U.S. for escalating the trade war. China made it clear that it would not give any ground on core issues of principle despite mounting pressure from US bullying on trade and technology and that it will "fight to the end" if forced, as officials issued a key document that harshly criticizes the US for repeatedly backtracking and jeopardising the trade talks, while it also prepared a list of the US companies to put under its blacklist, including Fed-Ex.

Meanwhile, the GBP/USD pair's latest recovery towards 1.2655 ahead of the London open on Monday. Investors will now focus on the monthly PMI data while US President Donald Trump's 3-day visit to London will also grab market attention. Mr. Trump also threatened Britain to have negative trade consequences if it maintains support for China's Huawei.

The euro is better bid on the first trading day of the week. The currency pair is currently trading at 1.1185, representing 0.15% gains on the day, having hit a low of 1.1116 on May 30.

Elsewhere, the Japanese Yen was down 0.1% to 108.15. The quote slipped noticeably on Friday after global markets preferred risk safety amid the latest challenges to trade from the US.

Oil prices extended losses on Monday in Asia to \$61.12, after a 3% slump last Friday amid tension between Mexico and the U.S. Tariff on Mexican imports, larger-than-expected crude inventories data, and an escalating trade war between the U.S. and China were all cited as catalysts for the selling in oil prices.

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	1.1130	1.1220
GBP/USD	1.2580	1.2820
USD/AED	3.6675	3.6775
USD/JPY	107.95	110.05

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.