



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 04TH JULY 2019

DOMESTIC NEWS

The Kenyan shilling strengthened against the dollar on Wednesday on the back of decreased dollar demand coupled with the CBK mopping excess liquidity in the money markets. By close of business, the local currency was quoted at 102.20/40 compared to Tuesday's close of 102.95/15.

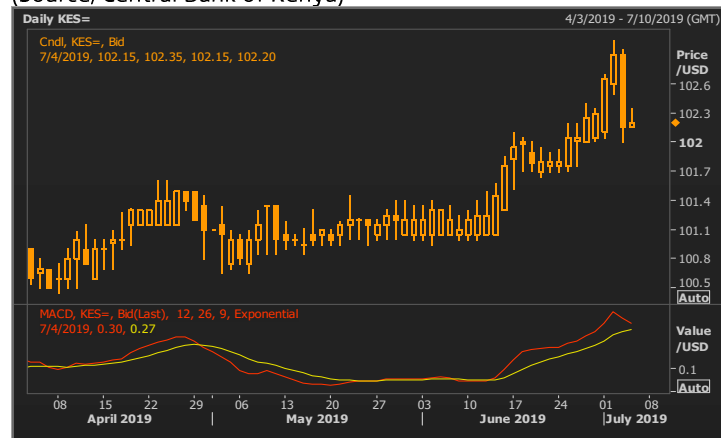
Kenya's private sector activity jumped in June, helped by increased local and external demand for goods, a survey showed on Wednesday, and it was seen improving further after government departments pay their outstanding bills. The Purchasing Managers' Index (PMI) for manufacturing and services rose to 54.3 in June from 51.3 in May and was its highest in 10 months. Any reading above 50 indicates growth.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.80	105.80	99.80	104.80
GBP/KES	124.70	132.70	125.20	132.20
EUR/KES	111.95	118.95	112.45	118.45
AED/KES	26.35	29.35	26.35	29.35

Money Market Rates	Current	Previous	Change
Interbank Rate	2.084%	1.862%	0.222
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 slipped on Thursday in Asia. Overnight, U.S. President Donald Trump accused China and Europe of playing a "big currency manipulation game. In a tweet, Trump said they have been pumping money into their system and the U.S. should match their efforts "or continue being the dummies who sit back and politely watch as other countries continue to play their games. A report by a payrolls processor ADP showed U.S. companies added jobs in June, but fewer than what analysts had forecast, raising concerns the labor market is softening even as the current U.S. economic expansion marked a record run last month.

The GBP/USD pair seesaws around 1.2580 while heading into the London open on Thursday. At the political front, the UK Prime Minister candidates, namely Boris Johnson and Jeremy Hunt, continues to appear on various hustings and claim to be superior over the other. Recently, both the candidates are trying to create an image that can offer fewer harms during the no-deal Brexit. However, the frontrunner Boris Johnson remains fierce and promises to cut short the government departs to save the expenses if he becomes the PM.

The euro rebounded 0.1% to 1.1283. The common currency has been under pressure since IMF Manager Director Christine Lagarde was nominated as the next European Central Bank president.

The yen opened at 107.81, early Thursday, and it is expected to rally as this pair is less attractive because investors could question how much of a difference a muted increase makes for the Fed.

Oil prices were down on Thursday to \$63.38, after the Energy Information Administration (EIA) reported a set of bearish U.S. crude inventories data.

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	1.1200	1.1330
GBP/USD	1.2500	1.2640
USD/AED	3.6675	3.6775
USD/JPY	106.80	108.10

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