



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 05TH JULY 2019

DOMESTIC NEWS

The Kenyan shilling weakened against the dollar on Thursday on the back of uptick in dollar demand from oil and merchandise importers. As at close of business, the local currency was quoted at 102.55/75 compared to Wednesday's close of 102.20/40.

The CBK was in the market on 4th July 2019 in a bid to mop KES 10 Billion in 7, 14 and 21-day Repo due to excess liquidity in the money markets. It received and accepted bids worth 100 million for the 7-day repo at a weighted average rate of 4.00%, it never got anything for the 14-day repo but received and accepted bids worth KES 9.100 Billion for the 21-day Repo at a weighted average rate of 7.988%.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.15	106.15	100.15	105.15
GBP/KES	125.15	133.15	125.60	132.60
EUR/KES	112.30	119.30	112.80	118.80
AED/KES	26.45	29.45	26.45	29.45

Money Market Rates	Current	Previous	Change
Interbank Rate	2.084%	1.862%	0.222
91-Day T-bill	6.685%	6.738%	-0.053
182-Day T-Bill	7.397%	7.487%	-0.090
364-Day T-Bill	8.610%	8.759%	-0.149
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 dollar was firm on Friday, but traders held off on making big bets ahead of the closely-watched U.S. non-farm jobs report that could influence the course of near-term Federal Reserve policy. On the Sino - U.S. trade, China's commerce ministry said on Thursday that existing U.S. tariffs will have to be removed if there is to be a trade deal between Beijing and Washington. The leaders of the two countries agreed last weekend to relaunch trade talks that had stalled in May after U.S. officials accused China of pulling back from commitments made in the text of a pact negotiators had said was nearly finished.

The GBP/USD pair follows the recent tendency of no change ahead of the US traders' return from the Independence Day holiday, also amid cautious sentiment prevailing prior to the key employment statistics from the US. As a result, the Cable takes the rounds to 1.2582 while heading into the London open on Friday.

The euro was steady at \$1.1284 and headed for a weekly loss of 0.75%. A drop in European government bond (EGB) yields to record lows this week, in sympathy with the global debt rally, has weighed on the single currency. Further, it is widely believed that global trade tensions will not be helpful to European growth and will likely force the European Central Bank to cut rates.

The yen has been ranging sideways between 107.70 and 107.90 into the Tokyo session and there has been little action in the first hour of trade ahead of the Nonfarm Payrolls.

Oil prices fell to \$63.25 on Friday as concerns over the outlook for global economic growth outweighed elevated tensions in the Middle East that could disrupt supply routes and send prices higher.

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	1.1205	1.1300
GBP/USD	1.2510	1.2615
USD/AED	3.6675	3.6775
USD/JPY	106.90	108.15

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