



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 08TH JULY 2019

DOMESTIC NEWS

The Kenyan shilling marginally strengthened against the dollar on Friday due to banks unwinding their long dollar positions amid reduced dollar demand from oil and merchandise importers. As at close of business, the local currency was quoted at 102.45/65 compared to Thursday's close of 102.55/75.

The Central Bank of Kenya stayed out of the money markets on Friday 5th July 2019 after constantly mopping liquidity in the course of the week. Interbank bank rates were relatively stable as liquidity conditions somewhat improved.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.05	106.05	100.05	105.05
GBP/KES	124.45	132.45	124.90	131.95
EUR/KES	111.60	118.65	112.10	118.15
AED/KES	26.42	29.42	26.42	29.42

Money Market Rates	Current	Previous	Change
Interbank Rate	2.198%	2.084%	0.114
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 a shade stronger on Monday, U.S. nonfarm payrolls rebounded in June to 224,000, the most in five months, data showed on Friday, beating economists' consensus estimate of 160,000. Bets for aggressive Fed easing are already off, with the market now pricing a 27 basis points easing this month, from 33 basis points prior to payrolls. President's Donald Trump's criticism to the Fed's monetary policy tightening and fresh concerns about the less likeliness of a trade deal between the US and China left uncertainty looming in the markets. On the other hand, Powell will provide further cues on the near-term outlook for monetary policy this week at his semi-annual testimony to the U.S. Congress.

The GBP/USD pair to stop declining further from 1.2530, ahead of the London open Monday as expectations of a soft Brexit are looking imminent. Former Brexit Secretary Dominic Raab and an influential Tory member Rory Stewart are tightening their belts to confront the UK Prime Minister candidate Boris Johnson if at all he wins the PM race. The front runner clings to his previous pledge of crashing out of the EU, be it with or without a deal.

The euro is trading at 1.1225, Germany, the manufacturing power house of Europe, will publish industrial production figures for the month of May and focus is on the numbers which could give the single currency direction.

The yen is currently trading at 108.33, after rallying on Friday from 107.80 to 108.40, following the data from Nonfarm Payrolls which benefited the Dollar and US yields.

Oil prices steadied on Monday to \$64.26, a better-than-expected U.S. jobs report was cited as a tailwind for the markets. However, promises of tighter OPEC supply extending into March 2020 limited losses 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	1.1195	1.1290
GBP/USD	1.2500	1.2610
USD/AED	3.6675	3.6775
USD/JPY	107.50	108.80

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