



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 8TH MAY 2019

DOMESTIC NEWS

The Kenyan shilling weakened marginally against the U.S. dollar in active trading on Tuesday as dollar demand from the energy sector outmatched dollar supply from remittances and foreign investors buying government securities. By close of trade, the local currency stood at 101.00/20, marginally weaker than the opening level of 100.80/101.00. We expect the shilling to remain relatively stable and trade in the 100.50/101.50 range in the short term as healthy inflows from foreign investors offset importer dollar demand.

Meanwhile, the Central Bank of Kenya, acting in its capacity as the fiscal agent for the Republic of Kenya, will today auction the new 5-year (FXD2/2019/5) and 15-year (FXD2/2019/15) fixed coupon treasury bonds issued for the month of May. The bonds are being issued for a total of KES 50 billion for budgetary support. The coupon rate for the two bonds will be market determined.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	128.15	136.15	128.65	135.65
EUR/KES	109.75	116.75	110.25	116.25
AED/KES	26.02	29.02	26.02	29.02

Money Market Rates	Current	Previous	Change
Interbank Rate	6.3810%	6.2222%	0.159
91-Day T-bill	7.250%	7.298%	-0.048
182-Day T-Bill	7.958%	8.006%	-0.048
364-Day T-Bill	9.320%	9.315%	0.005
Inflation	6.58%	4.35%	2.230
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar hung near a five-week low against the yen on Tuesday after worries about U.S.-China trade tensions rekindled fears about the outlook for global growth. The greenback was relatively unchanged against most major peers, even as comments from the White House that China had moved away from trade-related commitments pushed down U.S. bond yields and stock futures.

The dollar index against a basket of six rivals was basically unchanged at 97.45. While there had been talk that Washington and Beijing might reach a trade deal this week, it is likely the negotiations will take a bit more time. Against the yen, the dollar was a shade lower at 110.70 yen. The Japanese currency tends to benefit during geopolitical or financial stress as Japan is the world's biggest creditor nation.

The euro held relatively steady at \$1.1200 against the flat dollar.

Meanwhile, the sterling pound fell nearly 0.5% to settle at \$1.3070 on rising concerns about the progress of Brexit negotiations and worries PM Theresa May is facing a mounting challenge to her leadership. Sterling has traded in a narrow range of \$1.28-\$1.31 since Britain pushed its scheduled departure from the European Union back from March until Oct. 31. There is still little clarity about when, how, or even if, Brexit will happen.

Elsewhere, global oil prices closed at their lowest in over a month on Tuesday as renewed doubts over a U.S.-China trade deal stoked concerns over global growth and on expectations that U.S. crude stockpiles could hit fresh 19-month highs. Brent futures fell 1.4% to settle at \$70.25 a barrel, the lowest since April 4.

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	1.1150	1.1250
GBP/USD	1.3020	1.3120
USD/AED	3.6675	3.6785
USD/JPY	109.50	110.50

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