



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH AUGUST 2019

DOMESTIC NEWS

The Kenya shilling acceded to pressure against its American counterpart in early morning trading on Thursday but later in the afternoon the domestic unit held relatively stable against the greenback as inflows matched dollar demand from various sectors of the economy. By close of trade, the local currency stood a tad stronger at 103.35/55, as compared to Wednesday's close of 103.30/50.

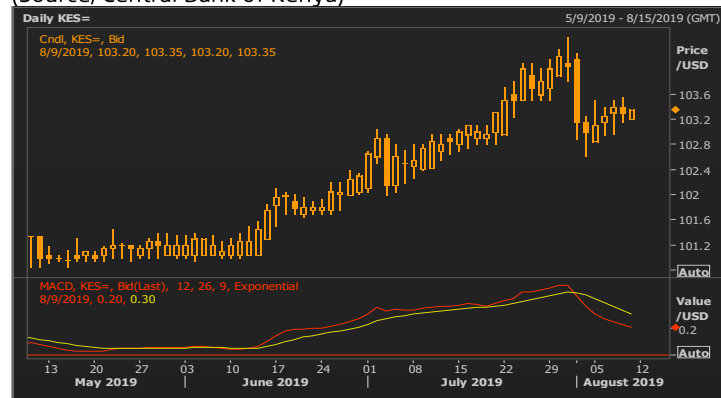
Kenya will be seeking a KES 150Bn syndicated loan, in line with Treasury's plan to finance the current budget deficit partly through external borrowing. The finance ministry set a budget deficit of 5.6% of GDP in June for the 2019/20 (July-June) fiscal year, targeting to borrow 324 billion shillings or close to half of the shortfall. In other news, the monetary authority mopped up KES 10B in excess liquidity at a weighted average rate of 6.890% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.85	106.85	100.85	105.85
GBP/KES	121.40	129.40	121.90	128.90
EUR/KES	112.10	119.10	112.60	118.60
AED/KES	26.64	29.64	26.64	29.64

Money Market Rates	Current	Previous	Change
Interbank Rate	3.551%	3.302%	0.249
91-Day T-bill	6.449%	6.547%	-0.098
182-Day T-Bill	7.154%	7.254%	-0.100
364-Day T-Bill	9.152%	9.038%	0.114
Inflation	6.270%	5.700%	0.570
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell sharply against other currencies on Thursday but rose against haven currencies as upbeat Chinese trade data and better-than-expected jobless claims went some way to restoring global risk appetite. Initial job claims fell to 209,000 for the week ended August 3, the Labor Department said on Thursday. Data for the prior week was revised to show 2,000 more applications received than previously reported. Meanwhile, the U.S.-China trade war has brought forward the next U.S. recession, according to many economists who now expect the Federal Reserve to cut rates again in September.

The GBP/USD pair traded at \$1.2146. Sterling was on the back foot on the day but on course for a fourth consecutive week of declines. The pound earlier fell after the Financial Times reported that Johnson would hold an election in the days following Brexit if lawmakers sunk his government with a vote of no-confidence. Johnson has said he will take Britain out of the European Union on Oct. 31.

The euro upside trend could be capped around 1.1250 on Italian political uncertainty. The leader of Italy's ruling League party and Deputy Prime Minister Matteo Salvini pulled the plug on government and said the only way forward was to hold fresh elections.

The yen rose to 105.98 as renewed concerns about the U.S.-China trade dispute and signs that central banks are more worried about the global economy boosted safe-haven assets.

Elsewhere, global oil prices were slightly lower on Friday at \$57.27. A Saudi oil official, said that Saudi Arabia is planning to maintain its crude oil exports below 7 million barrels per day in August and September on worries of steep slides 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	1.1105	1.1200
GBP/USD	1.2110	1.2200
USD/AED	3.6675	3.6775
USD/JPY	105.00	106.00

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