



**DIB Bank Kenya**  
A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 09<sup>TH</sup> JULY 2019

### DOMESTIC NEWS

The Kenyan shilling weakened against the dollar on Monday, dollar inflows from the agricultural sector were outweighed by oil importer demand and excess liquidity in the money markets. As at close of business, the local currency was quoted at 102.60/80 compared to Friday's close of 102.45/65.

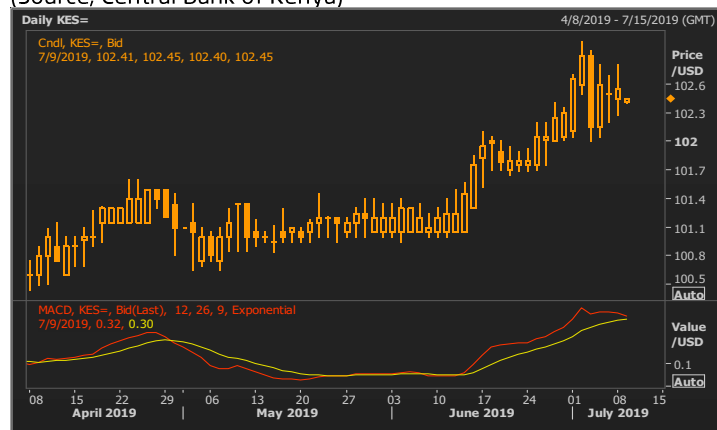
The Central Bank of Kenya was in the repo market on Monday 9<sup>th</sup> July 2019, in a bid to mop KES 15 billion in 7,14 and 21-day Repo. For the 7-day repo, it received and accepted bids worth KES 4.800 billion at a weighted average rate of 4.422%, for the 14-day repo it received and accepted bids worth KES 3.200 billion at a weighted average rate of 6.482%, with regards to the 21-day repo it received bids worth KES 12.350 billion but accepted bids worth KES 7.200 billion at a weighted average rate of 7.843%.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	99.20	106.20	100.20	105.20
GBP/KES	124.50	132.50	125.00	132.00
EUR/KES	111.70	118.70	112.20	118.20
AED/KES	26.46	29.46	26.46	29.46

Money Market Rates	Current	Previous	Change
Interbank Rate	2.384%	2.303%	0.081
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 traded near a three-week high on Tuesday against its peers, as investors reduced bets on aggressive U.S. interest rate cuts ahead of the Federal Reserve chairman's testimony to Congress on the economy. Fed chief Jerome Powell's comments in a two-day testimony to Congress beginning on Wednesday will be closely watched to determine whether traders will continue to pare bets for deep interest rate cuts, which could help the dollar continue its rebound against major currencies. Further, the US-China trade truce has created room for the Fed to hold fire. As a result, Powell may sound less dovish-than-expected, pushing both treasury yields and the US Dollar higher.

The GBP/USD pair takes the rounds to 1.2510 ahead of the London open on Tuesday. The British Finance Minister Phillip Hammond recently crossed the wires as he offered the present Prime Minister Theresa May an extension to her legacy projects if she offers Tory support to blocking a no-deal Brexit. On the other hand, the front runner to the PM's race Boris Johnson said that the Tories don't need any other party's support for Brexit.

The euro is trading at \$1.1216, near a three-week low of \$1.1207, with the US dollar broadly bid ahead of the US Federal Reserve Chairman Jerome Powell's testimony to Congress on Wednesday.

The yen is nearly flat at 108.72. Tensions between Japan and South Korea remained after Japan's Industry Minister Hiroshige Seko said today that Japan was "not thinking at all" of withdrawing restrictions on Japanese high-tech exports to South Korea.

Oil prices fell on Tuesday to \$63.92 in Asia amid lingering concerns of weakening global demand coupled with concerns that the Sino-U.S. trade depute might drag on for a while.

### 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	1.1190	1.1300
GBP/USD	1.2490	1.2580
USD/AED	3.6675	3.6775
USD/JPY	107.80	109.30

For more details, contact our Treasury staff- Peter, Michael and Loryne on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.