



**DOMESTIC NEWS**

The shilling maintained its bullish run and closed the week strong against the dollar, boosted by positive sentiment, improved dollar inflows amid depressed dollar demand. The local unit was 5 cents stronger on the day to close at 100.80/101.00 compared to 100.85/101.05 posted on the previous day.

While we expect the local currency to remain strong in the short term, end of month dollar demand in the last week on March could temporarily halt the local unit's further ascent. However, the forces of demand and supply will determine where the USDKES pair close the month. We see the 100.50-101.50 trading levels holding in calm trading this week.

Meanwhile, the rates in the overnight money market rose marginally to close at an average of 6.11% from 5.30% posted on Thursday.

**Indicative Forex rates**

|         | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 97.45    | 104.45    | 98.45  | 103.45  |
| GBP/KES | 138.90   | 146.90    | 139.40 | 146.40  |
| EUR/KES | 121.31   | 128.31    | 121.81 | 127.81  |
| AED/KES | 25.99    | 28.99     | 25.99  | 28.99   |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate     | 6.110%  | 5.308%   | 0.546  |
| 91-Day T-bill      | 8.005%  | 8.023%   | -0.018 |
| 182-Day T-Bill     | 10.385% | 10.401%  | -0.016 |
| 364-Day T-Bill     | 11.126% | 11.128%  | -0.002 |
| Inflation          | 4.46%   | 4.83%    | -0.370 |
| CBR RATE           | 9.50%   | 10.00%   | -0.50  |

(Source: Central Bank of Kenya)



(Source: Reuters)

**INTERNATIONAL NEWS**

Global markets were shaken after U.S. President Donald Trump moved to impose tariffs on Chinese goods, which pushed the world's two largest economies closer to a trade war. Consequently, the dollar hovered near a one-month low against a basket of major currencies on Friday and was on course for its biggest weekly drop as investors worried that escalating trade tensions could hurt global growth sold the greenback for other safer currencies.

To be sure, China urged the United States on Friday to "pull back from the brink" as President Donald Trump's plans for tariffs on up to \$60 billion in Chinese goods moved the world's two largest economies closer to a trade war. The yen, often viewed as a safe-haven currency in times of market turbulence and economic uncertainty, partly because of the resilience provided by Japan's current account surplus, rose to a 16-month high vs the dollar.

The dollar index, which measures the greenback against a basket of six other major currencies, was down 0.3% at 89.585 and was down 0.7% for the week.

The greenback was down 0.1% at 105.15 yen. GBP was up 0.47% after hints that the Bank of England Will probably need to rise once or twice a year over the next few years, with investors now expecting a rate hike in May.

Boosted by expectations that OPEC-leader Saudi Arabia may extend supply cuts into 2019 and concerns that the United States may re-introduce sanctions against Iran, Oil prices rose this morning with Brent crude futures opening above \$70 per barrel for the first time since January. However, concerns about looming trade dispute between the USA and China could cap further rise.

**Indicative Profit Rates on Deposits**

|          | Amounts > 10 Million | Amounts >100,000 |
|----------|----------------------|------------------|
|          | KES                  | USD              |
| Call     | 6.75%                | 1.50%            |
| 1 Month  | 9.00%                | 2.00%            |
| 3 Months | 9.00%                | 2.50%            |
| 6 Months | 9.75%                | 3.00%            |
| 1 year   | 10.25%               | 3.25%            |

**Indicative Cross Rates**

|         | Bid     | Offer  |
|---------|---------|--------|
|         | EUR/USD | 1.2320 |
| GBP/USD | 1.4100  | 1.4200 |
| USD/AED | 3.6675  | 3.6775 |
| USD/JPY | 104.50  | 105.50 |