



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 11TH MARCH 2019

DOMESTIC NEWS

The Kenyan shilling maintained its three-year record high against the U.S dollar on Friday, supported by ample dollar supply from offshore portfolio investors buying government debt amid weak importer dollar demand. At close of trade, the local currency gained 10 cents to close at 99.50/70, marginally stronger than the opening level of 99.60/80.

We expect the shilling, which has gained 2.2% against the greenback on year-to-date (YTD) basis, to remain relatively stable and trade within the 99.00/100.00 range in the short term as dollar demand from a cross section of importers remains subdued.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.10	103.10	97.10	102.10
GBP/KES	125.25	133.25	125.75	132.75
EUR/KES	108.40	115.40	108.90	114.90
AED/KES	25.65	28.65	25.65	28.65

Money Market Rates	Current	Previous	Change
Interbank Rate	3.3360%	3.3840%	-0.048
91-Day T-bill	6.886%	6.886%	0.000
182-Day T-Bill	8.316%	8.317%	-0.001
364-Day T-Bill	9.469%	9.476%	-0.007
Inflation	4.14%	4.70%	-0.560
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell against most major global currencies on Friday as data showed U.S. employers hired far fewer workers than forecast in February, while the euro rebounded from a 20-month low tied to the ECB's dovish shift the day before. Traders sold the dollar a bit more on the day after a measly 20,000-job increase in domestic payrolls last month, far fewer than 180,000 forecast among analysts. But traders were encouraged by the unemployment rate falling back below 4% and average hourly earnings accelerating by 0.4%.

The dollar index against a basket of six currencies was down 0.2% at 97.40 after touching 97.70 on Thursday, the highest since Dec. 14. On the week, the dollar index gained 0.8%.

Much of the greenback's weekly rise stemmed from a dramatic sell-off in the euro on Thursday when the ECB offered a fresh round of cheap loans to banks and pushed back any plan to raise rates into 2020. However, the common currency recovered on Friday, rising 0.25% to settle at \$1.1230.

Meanwhile, the sterling pound fell on Friday in a volatile session as British Prime Minister Theresa May urged the European Union to make "just one more push" to break the deadlock over Brexit by offering her changes to a deal. The pound was down almost 1% to settle at \$1.2975, its weakest since Feb. 22, on disappointment that a revised Brexit deal is unlikely to materialize soon.

Elsewhere, oil prices rose in early trading on Monday, lifted by comments from Saudi oil minister Khalid al-Falih that an end to OPEC-led supply cuts was unlikely before June and a report showing a fall U.S. drilling activity. Brent crude futures were at \$65.95 per barrel, up 0.25% from the last session.

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	1.1180	1.1280
GBP/USD	1.2925	1.3025
USD/AED	3.6675	3.6785
USD/JPY	110.60	111.60

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