



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 12TH APRIL 2019

DOMESTIC NEWS

The Kenyan shilling firmed marginally against the greenback on Thursday as healthy dollar inflows from remittances and foreign investors buying government debt offset high liquidity in the money market and surging dollar demand from the energy sector. At close of business, the shilling traded at 100.80/101.00, marginally stronger than Wednesday's close of 100.95/101.15. We expect the local unit to remain relatively stable in the coming week, getting support from improving remittances and foreign investors' inflows.

Meanwhile, the Central Bank of Kenya yesterday sold KES 28.14 billion worth of the 91-day, 182-day and 364-day Treasury Bills against a target of KES 24 billion, after receiving bids worth KES 35.55 billion. The Treasury bill yields for three issues fell marginally compared to last week's auction as the Central bank continued to reject expensive bids.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.40	104.40	98.40	103.40
GBP/KES	127.90	135.90	128.40	135.40
EUR/KES	110.40	117.40	110.90	116.90
AED/KES	25.95	28.95	25.95	25.95

Money Market Rates	Current	Previous	Change
Interbank Rate	1.6200%	1.5828%	0.037
91-Day T-bill	7.397%	7.444%	-0.047
182-Day T-Bill	8.090%	8.189%	-0.099
364-Day T-Bill	9.371%	9.385%	-0.014
Inflation	4.35%	4.14%	0.210
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar strengthened modestly against major global currencies on Thursday on encouraging U.S. inflation and labor data. First-time filings for U.S. jobless benefits dropped to a 49-1/2-year low last week, pointing to sustained labor market strength that could counter fears of a sharp slowdown in U.S. economic growth. Overall producer prices grew 0.6% in March, the most in five months, while the underlying wholesale inflation rose by a milder 0.3%.

The euro held relatively steady at \$1.1290 against the dollar despite ECB president Mario Draghi's comments on Wednesday underscoring the risks facing the euro zone economy and supporting the view of possibly more ECB stimulus to prevent the region from slipping into recession.

Meanwhile, the pound tumbled below \$1.31 on Thursday after a delay of up to six months to Brexit left traders scratching their heads about the direction for the British currency, with few expecting wild price swings in the months ahead. The overnight deal at an emergency EU summit to postpone Britain's exit from the bloc to Oct. 31 meant it would not crash out on Friday without a treaty to smooth its passage. PM Theresa May's request for a shorter delay to June 30 was rebuffed by the 27 EU member state heads of government. On the day, the pound fell 0.2% to close at \$1.3075.

Elsewhere, global oil prices fell on Thursday after sources said OPEC may raise output from July if Venezuelan and Iranian supplies fall further and prices keep rallying. Rising U.S. crude stockpiles also dragged prices down by more than \$1 a barrel. Global benchmark Brent settled at \$70.60 a barrel, down 85 cents.

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	1.1240	1.1340
GBP/USD	1.3025	1.3125
USD/AED	3.6675	3.6785
USD/JPY	111.25	112.25

For more details, contact our Treasury staff- Peter and Michael 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.