



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

## TREASURY MARKET UPDATE 12<sup>TH</sup> MARCH 2019

### DOMESTIC NEWS

In active trading yesterday, the Kenyan shilling posted a marginal decline against the greenback as buyers picked the dollars at the cheap rates. The local unit was 5 cents weaker on the day to close the day at 99.55/75 compared to 99.50/70 at the open. While market forces remain supportive for the shilling, we expect some market correction which will see the USDKES pair in the 99.60-100.50 this week.

The overnight money market rates inched up marginally to close the day at an average rate of 3.725% compared to 3.336% posted in the previous day. However, high liquidity in the market saw CBK mop KES 60 billion in 7- and 14-days repos.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.30	103.30	97.30	102.30
GBP/KES	127.78	135.78	128.28	135.28
EUR/KES	108.83	115.83	109.33	115.33
AED/KES	25.67	28.67	25.67	28.67

Money Market Rates	Current	Previous	Change
Interbank Rate	3.725%	3.3360%	0.391
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 dollar dipped marginally yesterday after mixed U.S. retail sales data, while the UK pound was up on hopes Prime Minister Theresa May will secure a deal with the EU to avoid another defeat in UK parliament of her Brexit deal.

With only 18 days before Britain is due to leave the European Union, there is still no ratified deal and talks with the EU stalled over the weekend. In a day of frenetic diplomacy ahead of the parliamentary vote scheduled later today, Theresa May spoke to European Commission President Jean-Claude Juncker to find a way through the Brexit maze.

After falling in the last eight sessions, the GBP rose by 1.1% to hit the day's high of \$1.317 as chances Britain will leave the EU without a deal, the so-called Hard Brexit narrowed.

The dollar index, which measures the greenback against a basket of six rivals closed the day 0.1% lower at 97.208. On the data front, the Commerce Department reported that U.S. retail sales unexpectedly rose in January, lifted by an increase in purchases of building materials and discretionary spending, but receipts in December were much weaker than initially thought.

The euro rose marginally on the back of the dollar move, up 0.04 percent to trade at \$1.124.

Elsewhere, Oil prices rose this morning, lifted by healthy demand and output cuts led by producer group OPEC amid political and economic crisis in OPEC-member Venezuela. Brent crude futures were at \$66.75 per barrel, up 17 cents, or 0.3% on the day.

### 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	1.1200	1.1300
GBP/USD	1.3160	1.3260
USD/AED	3.6670	3.6780
USD/JPY	111.00	113.00

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