



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 13TH FEBRUARY 2019

DOMESTIC NEWS

Dwindling dollar demand from a cross section of importers helped the shilling to firm against the greenback in active trading on Tuesday amid rising inflows from offshore investors buying government debt. At close of trade, the shilling traded at 100.20/40, marginally stronger than Monday's close of 100.45/65. We expect the local unit to remain relatively stable against the dollar in the short term as importer demands remains subdued.

Elsewhere, Kenya's tea production is projected to drop by 12% year-on-year in 2019, according to the country's tea industry regulator. The Tea Directorate said Kenya's tea export earnings are forecast to fall to KES 133 billion (\$1.32 billion) in 2019, from a record of KES 140.86 billion in 2018, due to a drop in export volumes. Kenya is the biggest exporter of black tea in the world, and tea is also one of the leading source of foreign exchange.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.80	103.80	97.80	102.80
GBP/KES	125.45	133.45	125.95	132.95
EUR/KES	110.20	117.20	110.70	116.70
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	1.1409%	1.4272%	-0.286
91-Day T-bill	7.040%	7.061%	-0.021
182-Day T-Bill	8.567%	8.780%	-0.213
364-Day T-Bill	9.644%	9.856%	-0.212
Inflation	4.70%	5.71%	-1.010
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell broadly on Tuesday, ending its longest winning streak in two years, as investors put money in riskier assets on rising hopes of a breakthrough in U.S-China trade talks. Trump's top trade negotiator and Treasury secretary arrived in the Chinese capital on Tuesday for high-level talks later in the week as the world's two largest economies attempt to hammer out a deal to protect American trade secrets and avoid another escalation of U.S. tariffs on Chinese goods. Analysts suggested that softer data out of China, including expectations of slowing growth, could help facilitate a deal.

The dollar Index, which had gained for eight consecutive sessions was 0.4% lower on Tuesday to settle at 96.65.

The dollar ceded ground to the euro, which rose 0.5% from the previous session to close at \$1.1340.

Meanwhile, the British pound rose off three-week lows after Prime Minister Theresa May said the government would seek to speed up ratification of its Brexit withdrawal deal with the European Union if time gets too tight. Time is running out for May to persuade the EU to amend the Brexit deal and then get British lawmakers to approve it, before Britain is scheduled to leave the bloc on March 29. On the day, the pound rose 0.3% to settle at \$1.2900.

Elsewhere, global oil prices rose in early trading on Wednesday as producer club OPEC said it had cut supply deeply in January and as U.S. sanctions hit Venezuela's oil exports. International Brent crude futures were up 1.6% from the previous session to trade at \$63.00 per barrel.

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

	Value /USD	
	Bid	Offer
EUR/USD	1.1290	1.1390
GBP/USD	1.2850	1.2950
USD/AED	3.6675	3.6785
USD/JPY	110.10	111.10

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