



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

## TREASURY MARKET UPDATE 15<sup>TH</sup> APRIL 2019

### DOMESTIC NEWS

Surging dollar demand from the energy sector outweighing dollar inflows from remittances and foreign investors saw the Kenya shilling weaken marginally against the U.S. dollar on Friday amid surplus excess liquidity in the money market. At close of business, the local currency stood at 100.90/101.10, compared to the opening level of 100.80/101.00.

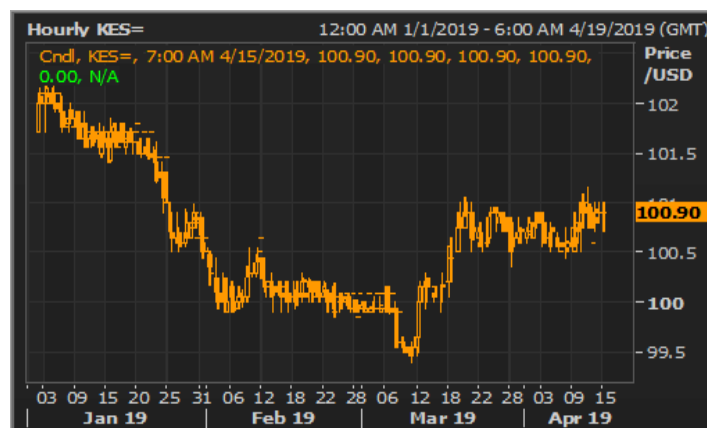
We expect the local currency to remain relatively stable against the greenback and trade in the 100.50/101.50 range in the short term, with healthy inflows from remittances and foreign investors expected to counter the surging importer dollar demand and excess liquidity in the local money market.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.50	104.50	98.50	103.50
GBP/KES	128.20	136.20	128.70	135.70
EUR/KES	110.70	117.70	111.20	117.20
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	1.4831%	1.6200%	-0.137
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 weakened modestly against major global currencies on Friday as the euro climbed in a move dealers said may have been driven by anticipated currency demand arising from a Japanese bank's plans to purchase a German multi-billion dollar aviation finance business. Signs of economic stabilization in China and a strong start to U.S. corporate earnings season boosted demand for riskier assets, leaving the dollar to turn in its worst weekly performance against the euro in four weeks.

The euro was 0.4% higher against the dollar at \$1.1305, its highest since March 26. Speculators were buying the euro in response to reports on Mitsubishi UFJ Financial Group's (MUFG) planned purchase of the aviation financing business of Germany's DZ Bank, dealers said. The transaction was announced on March 1 and MUFG said it was expected to close after June.

Meanwhile, the British pound rallied on Friday as the immediate risks around Brexit receded after the postponement of the departure date and as the dollar suffered a broad selloff, although collapsing volatility signaled a reluctance to bet big. European Union leaders agreed to an up to six-month delay to Brexit, removing the imminent threat of a no-deal exit but also leaving the likelihood of months of political uncertainty in the United Kingdom. On the day, the pound rose 0.2% to settle at \$1.3090.

Elsewhere, global oil prices rose more than 1% on Friday as involuntary supply cuts from Venezuela and Iran plus conflict in Libya supported perceptions of a tightening crude market, while upbeat Chinese economic data eased concerns about waning crude demand. Brent crude oil futures rose 1.15% to settle at \$71.40 a 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

	Bid	Offer
EUR/USD	1.1255	1.1355
GBP/USD	1.3040	1.3140
USD/AED	3.6675	3.6785
USD/JPY	111.40	112.40

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.