



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 15TH MARCH 2019

DOMESTIC NEWS

The shilling posted modest gains against the dollar in lackluster trading yesterday, with dollar inflows and demand almost at par. At the close of business, the USDKES pair was posted at 100.10/30 compared to 100.15/35 at the open.

Elsewhere, the high court yesterday ruled that sections 33 (B) (1) and (2) of the Banking Act that introduced capping of rates is unconstitutional, which nullifies the law but gave parliament a 12 months window to rectify the same. Market will keenly watch how this evolves over time and the likely impact to the banking sector.

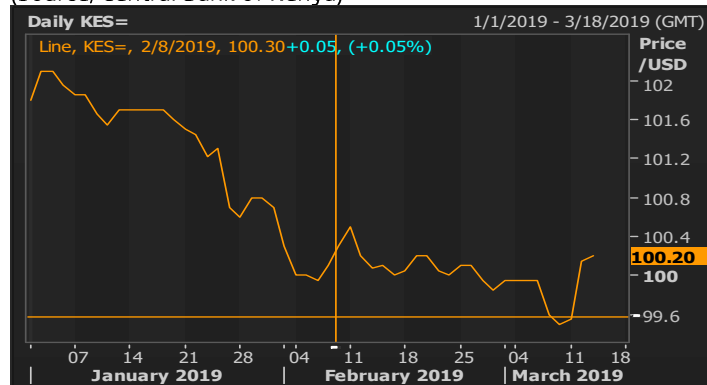
Meanwhile, prices of Petrol, Diesel and Kerosene went up by Kes 1.26, Kes 0.65 and KES 2.96 respectively as was announced by the ERC- energy Regulatory commission yesterday.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.70	103.65	97.65	102.65
GBP/KES	128.59	136.58	129.09	136.09
EUR/KES	109.82	116.82	110.32	116.32
AED/KES	25.77	28.77	25.77	28.77

Money Market Rates	Current	Previous	Change
Interbank Rate	3.478%	4.388%	-0.910
91-Day T-bill	6.837%	6.886%	- 0.049
182-Day T-Bill	8.270%	8.316%	-0.046
364-Day T-Bill	9.439%	9.469%	-0.003
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 British lawmakers approved a motion setting out the option to ask the EU for a short delay if parliament can agree on a Brexit deal by March 20, or a longer delay if no deal can be agreed in time. The short delay envisaged in the motion could last until June 30, but the longer extension is not currently time-limited. Either would require unanimous approval from the other 27 EU members, whose leaders meet in a summit next Thursday

The pound was mostly steady at 1.3250 against the dollar after the motion was passed late on Thursday.

The dollar was broadly weaker after U.S. data released yesterday underscored growing pressure on the U.S. economy and kept the dollar in check. The number of Americans filing applications for unemployment benefits increased more than expected last week while new home sales fell more than expected in January.

The USD was further affected by reports that a possible summit meeting the United States and China to hammer out a trade deal will be delayed. U.S. Treasury Secretary Steven Mnuchin said a trade summit between President Donald Trump and his Chinese counterpart Xi Jinping would not happen at the end of March as had been previously suggested because there was still more work to do in trade negotiations.

The euro traded at \$1.1320, up 0.15% against the dollar.

Supply concerns pushed crude prices higher this morning, with Brent crude oil futures at \$67.27 per barrel, 4 cents higher and not far from \$68.14, 2019-high reached the previous 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	1.1285	1.1385
GBP/USD	1.3215	1.3315
USD/AED	3.6670	3.6780
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.