



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

## TREASURY MARKET UPDATE 17<sup>TH</sup> APRIL 2019

### DOMESTIC NEWS

The Kenyan shilling weakened marginally against the U.S. dollar on Tuesday as rising dollar demand from oil and merchandise importers outweighed dollar inflows from remittances and horticulture exports amid high levels of liquidity in the money market. At close of business, the shilling traded 10 cents lower at 101.00/101.20, compared to the opening level of 100.90/101.10.

We expect the shilling to remain under some pressure and trade in the 100.50/101.50 levels in the short term due to rising importer dollar demand and excess liquidity in the money market which makes it easier for banks to hold long dollar positions. However, we expect the local currency to receive some support from diaspora remittances' and foreign investors' dollar inflows.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.60	104.60	98.60	103.60
GBP/KES	128.00	136.00	128.50	135.50
EUR/KES	110.80	117.80	111.30	117.30
AED/KES	26.02	29.02	26.02	29.02

Money Market Rates	Current	Previous	Change
Interbank Rate	3.4523%	2.9231%	0.529
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 gained marginally against the euro and other major currencies on Tuesday after reports that a significant minority of European Central Bank policymakers think the bank's economic projections are too optimistic as weak growth in China and trade tensions linger. The significant minority of rate-setters in last week's policy meeting expressed doubt that a long-projected growth recovery is coming in the second half of the year and some even questioned the accuracy of the ECB's projection models, given their long history of downward revisions.

The concerns about the euro zone's economy came five weeks after the ECB pushed out the timing of its first post-crisis rate hike until 2020. On the day, the euro fell 0.1% against the dollar to settle at \$1.1300.

The sterling pound meanwhile slipped to settle at \$1.3060 after a newspaper report that Brexit talks between PM Theresa May's government and the opposition Labour Party were stalling but moves were broadly contained in a market lacking fresh triggers. In currency derivative markets, expectations for volatility in the British pound plummeted to their lowest levels in more than a year after European Union leaders and the British government last week announced Brexit would be delayed for up to six months.

Elsewhere, global oil prices rose on Tuesday, supported by concerns over tightening global supply due to U.S. sanctions and fighting in Libya, as well as an unexpected fall in U.S. crude inventories. International benchmark Brent crude oil futures rose more than 1% to settle at \$71.95 a barrel, the highest since Nov. 8 when prices topped \$72 a barrel.

#### Indicative Profit Rates on Deposits

	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	1.1250	1.1350
GBP/USD	1.3010	1.3110
USD/AED	3.6675	3.6785
USD/JPY	111.45	112.45

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.