



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

## TREASURY MARKET UPDATE 19TH FEBRUARY 2019

### DOMESTIC NEWS

The Kenyan shilling was relatively stable against the greenback on Monday as dollar inflows from remittances and offshore investors matched thin importer dollar demand. At close of business, the local currency stood at 100.10/30, little changed from the opening level. We expect the shilling to continue holding relatively steady in the short term as dollar inflows from exports and remittances match muted dollar from importers.

Elsewhere, Kenya's government faces increased refinancing or roll over risks as more domestic bonds mature within the next year than in 2018. The maturing of domestic debt is due to shorten, with 43% of the debt maturing in less than a year, up from 38% the previous year, the Treasury said in a debt management strategy document. In October last year, the IMF bumped up Kenya's debt distress risk to moderate from low, citing rising external commercial borrowing and growing interest payments on public debt.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.70	103.70	97.70	102.70
GBP/KES	125.25	133.25	125.75	132.75
EUR/KES	109..70	116.70	110.20	116.20
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	1.8251%	1.7701%	0.055
91-Day T-bill	7.016%	7.040%	-0.024
182-Day T-Bill	8.843%	8.567%	0.276
364-Day T-Bill	9.551%	9.644%	-0.093
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 was steady against its peers on Monday, lacking strong direction as U.S. markets were shut for a holiday. The dollar index versus a basket of six major currencies was nearly flat at 96.85 as U.S. financial markets were closed on Monday for the Presidents' Day holiday.

Meanwhile, the euro's latest bounce faded as focus drifted back to the economy and European Central Bank policy. The euro was down 0.15% to settle at \$1.1295 on the day pulling away from Friday's high of \$1.1310. The single currency had been buoyed by improved investor sentiment as expectations increased for an easing of the U.S.-China trade conflict after both sides reported progress in talks.

ECB policymakers will next meet on March 7, when the bank's staff are expected to slash growth and inflation projections as the euro zone suffers its biggest slowdown in half a decade.

The sterling pound also fell marginally as investors waited for the outcome of Brexit talks between Britain and the E.U. PM Theresa May is leading a last-ditch diplomatic drive to persuade EU leaders to save her Brexit agreement as she faces a rebellion from Cabinet ministers who want to stop the UK leaving without a deal. On the day, the pound was down 0.07% to settle at \$1.2900 after rallying more than 0.5% on Friday.

Elsewhere, Brent crude oil prices eased away from 2019 highs on Monday on caution that slow economic growth may dent fuel demand this year, although supply cuts led by producer cartel OPEC still meant markets were relatively tight. International Brent crude oil futures were at \$66.25 per barrel, down 0.1% from their last close.

### 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	1.1245	1.1345
GBP/USD	1.2850	1.2950
USD/AED	3.6675	3.6785
USD/JPY	110.10	111.10

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