



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 18TH MARCH 2019

DOMESTIC NEWS

Increased dollar demand from a cross section of importers saw the Kenya shilling weaken further against the greenback on Monday, outweighing dollar supply from remittances and horticulture exports. At close of trade, the local currency stood at 100.55/75, compared to the opening level of 100.20/40.

We expect the shilling to remain under pressure against the U.S. dollar in the short term due to the increasing importer dollar demand. However, we expect the local unit to receive some support from dollar inflows from foreign investors buying the 25-year infrastructure bond on sale this week.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.15	104.15	98.15	103.15
GBP/KES	129.55	137.55	130.05	137.05
EUR/KES	110.70	117.70	111.20	117.20
AED/KES	25.90	28.90	25.90	28.90

Money Market Rates	Current	Previous	Change
Interbank Rate	3.5055%	3.0418%	-0.464
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 U.S. dollar was little changed against a basket of currencies on Monday, sticking close to a two-week low, as caution about the U.S. economy and expectations for an accommodative Federal Reserve kept the greenback subdued. The dollar index against six major global currencies was about flat on the day at 96.55.

The dollar has weakened in recent sessions as investors expect the Fed to strike a dovish tone when it meets this week. Market participants expect the central bank to keep its benchmark overnight interest rate unchanged and stick to its pledge of a "patient" approach to monetary policy. Soft U.S. manufacturing data on Friday helped cement that expectation.

The euro was 0.15% higher against the dollar to settle at \$1.1345, after hitting a two-week high of \$1.1360 earlier in the day.

The sterling pound also gained marginally against the greenback, rising 0.1% to close at \$1.3265. It had seesawed earlier in the day after the speaker of Britain's parliament said Prime Minister Theresa May's Brexit deal could not be voted on again unless a different proposal was submitted. Focus now turns to the Bank of England, which is expected to leave its interest rate outlook unchanged at a policy meeting on Thursday due to the deep uncertainty over Britain's decision to leave the European Union.

Elsewhere, global oil prices rose to near four-month highs on Monday, supported by the prospect of extended OPEC-led oil supply curbs and signs of inventory declines in U.S. crude stockpiles. Brent crude futures settled at \$67.65 a barrel, rising 0.6% from the previous session and holding near its 2019 peak of \$68.15 reached on Thursday.

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	1.1295	1.1395
GBP/USD	1.3215	1.3315
USD/AED	3.6675	3.6785
USD/JPY	110.75	111.75

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