



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

## TREASURY MARKET UPDATE 20TH FEBRUARY 2019

### DOMESTIC NEWS

The Kenyan shilling held relatively stable against the U.S. dollar on Tuesday, helped by dollar inflows from horticulture exports and remittances despite a slight uptick in dollar demand from oil and manufacturing importers. At close of business, the local currency was trading at 100.20/40, little changed from Monday's close of 100.10/30.

We expect the local currency to hold relatively stable against the greenback in coming days with horticulture and remittances inflows meeting dollar demand from a cross section of importers. However, we expect the shilling to come under some pressure against the dollar as we approach end month due to a surge in dollar demand from oil and merchandise importers looking to settle their end month obligations.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.80	103.80	97.80	102.80
GBP/KES	127.00	135.00	127.50	134.50
EUR/KES	110.30	117.30	110.80	116.80
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	1.8551%	1.8251%	0.030
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 greenback slipped against a basket of other currencies on Tuesday as traders scaled back their safe-haven dollar holdings on optimism that a fresh round of talks between China and the United States would help resolve their trade conflict. Bloomberg TV reported on Tuesday that the White House is pushing for a pledge from China that it will not devalue its currency as a part of a trade deal.

On the day, the dollar index, which tracks the greenback against six other major currencies, was down 0.4% to settle at 96.50 after hitting a near-two-month peak of 97.40 on Friday, the highest since Dec. 17, after last week's negotiations in Beijing failed to result in a deal.

The euro appreciated 0.45% against the weaker dollar to settle at \$1.1345. It reversed earlier losses despite data showing that Italian industrial orders dropped 5.3% in December from a year earlier.

Meanwhile, the sterling pound shot past \$1.30 on hopes that PM Theresa May will make progress in seeking changes to her Brexit deal with the European Union. After edging higher for much of the day, the pound then jumped in late European trading - rising almost 1% against the dollar to hit its strongest level since Feb. 5, of \$1.3050. With just six weeks until Britain is due to leave the bloc, PM May has yet to win the support of British lawmakers for her deal and investors are skittish.

Elsewhere, global oil prices were stable around 2019 highs on Tuesday, helped by supply cuts led by producer club OPEC and by U.S. sanctions on Iran and Venezuela. International Brent crude futures were little changed at \$66.25 per 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	1.1295	1.1395
GBP/USD	1.3000	1.3100
USD/AED	3.6675	3.6785
USD/JPY	110.30	111.30

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