



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 20TH MARCH 2019

DOMESTIC NEWS

The Kenyan shilling continued to weaken against the greenback in active trading on Tuesday as increased dollar demand from oil and merchandise importers exceeded hard currency inflows from diaspora remittances and the country's primary exports. By close of business, the local currency had lost 20 cents per dollar to settle at 100.75/95 compared to the opening level of 100.55/75.

We expect the shilling to remain under pressure against the dollar and trade in the 100.50/101.50 in the short term as high importer dollar demand from importers persists, outweighing dollar supply from exports and diaspora remittances.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.35	104.35	98.35	103.35
GBP/KES	129.70	137.70	130.20	137.20
EUR/KES	110.95	117.95	111.45	117.45
AED/KES	25.95	28.95	25.95	28.95

Money Market Rates	Current	Previous	Change
Interbank Rate	2.6277%	3.0418%	-0.414
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 slipped against a basket of major currencies on Tuesday, weighed down by growing expectations the Federal Reserve would adopt a more accommodative policy outlook this week and concerns about slower U.S. economic growth.

Traders are focused on the Fed, which kicked off its two-day policy meeting on Tuesday, for clues about the likely path of U.S. borrowing costs and whether the central bank will affirm its commitment to "patient" monetary policy. Many investors expect the Fed to keep its benchmark overnight interest rate unchanged and stick to its pledge of a "patient" approach to monetary policy.

As the dollar took a breather, the euro was slightly higher to settle at \$1.1350, extending its gains to a second session.

The pound, meanwhile, reversed earlier gains on Tuesday on concerns that PM Theresa May's request for postponing Brexit was running into complications with the E.U. May is asking the EU to delay Brexit by at least three months after her plans for another vote on her twice-defeated divorce deal were thrown into crisis. On the day, the pound fell from as high as \$1.3310 to settle at \$1.3255. The Bank of England 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, oil prices fell on Tuesday, weighed down by economic growth concerns that dampened the outlook for fuel consumption, but supported by voluntary supply cuts led by producer club OPEC and by U.S. sanctions against Iran and Venezuela. International Brent crude oil futures were at \$67.50 a barrel, down 0.2% from their last close.

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	1.1300	1.1400
GBP/USD	1.3205	1.3305
USD/AED	3.6675	3.6785
USD/JPY	111.05	112.05

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