



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

## TREASURY MARKET UPDATE 23<sup>RD</sup> APRIL 2019

### DOMESTIC NEWS

The Kenyan shilling held relatively stable at three-months high against the U.S. dollar on Thursday ahead of the Easter holiday as dollar inflows from remittances and foreign investors buying government debt matched dollar demand from the energy and manufacturing sectors amid surplus money market liquidity. At close of business, the local unit was little unchanged at 101.25/45, compared to the opening level of 101.20/40.

We expect the shilling to remain under pressure against the greenback and trade in the 101.00-102.00 range in the short term due to surplus liquidity in the money market and as rising dollar demand from a cross section of importers exceeds dollar inflows from remittances and offshore investors buying government debt.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.85	104.85	98.85	103.85
GBP/KES	127.55	135.55	128.05	135.05
EUR/KES	110.50	117.50	111.00	117.00
AED/KES	26.10	29.10	26.10	29.10

Money Market Rates	Current	Previous	Change
Interbank Rate	4.6849%	3.9611%	0.724
91-Day T-bill	7.305%	7.397%	-0.092
182-Day T-Bill	8.042%	8.090%	-0.048
364-Day T-Bill	9.354%	9.371%	-0.017
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 against major global currencies on Thursday as data pointed to a sturdy U.S. economy. U.S. retail sales increased by the most in 1-1/2 years in March as households boosted purchases of motor vehicles and a range of other goods, the latest indication that economic growth picked up in the first quarter after a false start.

The economy's enduring strength was underscored by other data on Thursday showing the number of Americans filing applications for unemployment benefits dropped to the lowest in nearly 50 years last week.

The euro fell to a one-week low on Thursday after weak manufacturing surveys in Europe raised concerns about an economy struggling to gain traction before the long Easter weekend. Activity in Germany's manufacturing sector shrank for a fourth straight month in April, while a similar survey from France also painted a bleak picture. The single fell 0.4% to settle at \$1.1250, its lowest level since April 10 after the data releases.

Meanwhile, the sterling pound fell as the dollar's rally gathered momentum, with strong British retail sales data doing little to shake the currency out of a slumber following a six-month extension to Brexit. On the day, the British pound was 0.3% lower at \$1.2985.

Elsewhere, global oil prices hovered near 2019 peaks in early trading on Tuesday after Washington abruptly moved to end all Iran sanctions waivers by May, pressuring importers to stop buying from Tehran. Brent crude futures were at \$74.35 per barrel, up 3.6% from their last close and not far off 2019 highs of \$74.52 reached on Monday.

#### 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	1.1200	1.1300
GBP/USD	1.2935	1.3035
USD/AED	3.6675	3.6785
USD/JPY	111.40	112.40

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.