



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 23RD JANUARY 2019

DOMESTIC NEWS

Thin dollar demand from oil and manufacturing importers continued to help the Kenyan shilling to remain relatively stable against the greenback on Tuesday amid healthy inflows from diaspora remittances and from tea and horticulture exports. At close of trade, the local currency stood at 101.50/70, little changed from Monday's close of 101.55/75.

We expect the local unit to remain relatively stable in coming days and trade in the range of 101.00/102.00, as it continues to get support from improving diaspora remittances and from foreign investors buying government debt as dollar demand from importers remains subdued.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.10	105.10	99.10	104.10
GBP/KES	127.60	135.60	128.10	135.10
EUR/KES	112.00	119.00	112.50	118.50
AED/KES	26.15	29.15	26.15	29.15

Money Market Rates	Current	Previous	Change
Interbank Rate	3.1648%	3.3620%	-0.197
91-Day T-bill	7.134%	7.200%	-0.066
182-Day T-Bill	8.927%	8.935%	-0.008
364-Day T-Bill	9.953%	9.958%	-0.005
Inflation	5.71%	5.58%	0.130
CBR RATE	9.00%	9.50%	-0.500

(Source; Central Bank of Kenya)



(Source; Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell against most of its peers on Tuesday as worries about flagging global growth and concerns about continuing U.S.-Chinese trade tensions drove investors to seek out safe-haven assets. The greenback fell marginally after the International Monetary Fund (IMF) on Monday trimmed its global growth forecasts for 2019 and 2020. The IMF said a failure to resolve trade disputes could further destabilize a slowing global economy.

Data showing U.S. home sales tumbled to their lowest level in three years in December and house price increases slowed sharply, suggesting a further loss of momentum in the housing market, also weighed on the dollar.

The euro struggled near a three-week low of \$1.1365 on Tuesday as weak data and a cut in European growth forecast by the IMF prompted investors to turn bearish on the single currency.

Meanwhile, the sterling pound jumped to a 2-month high after strong employment data suggested Britain's labour market remained robust despite an economic slowdown ahead of Brexit. The pound slumped 7% in 2018 on Brexit concerns but it has started the year on the front foot. On the day, it rose 0.6% to settle at \$1.2950 after data showed British workers' pay grew at the fastest pace in over 10 years.

Elsewhere, oil prices dropped about 2% on Tuesday over concerns that the world's stumbling economy could pinch fuel demand as U.S. shale fields surge and cuts by Russia come in below expectations. Brent oil futures settled down \$1.24, or 2% at \$61.50 a 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	1.1315	1.1415
GBP/USD	1.2900	1.2950
USD/AED	3.6675	3.6785
USD/JPY	109.15	110.15

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.