



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

## TREASURY MARKET UPDATE 25<sup>TH</sup> APRIL 2019

### DOMESTIC NEWS

The Kenyan shilling held relatively stable against the greenback on Wednesday as dollar inflows from non-governmental organizations (NGOs) and diaspora remittances matched surging dollar demand from the energy sector. At close of trade, the local unit stood at 101.45/65, little changed from Tuesday's close of 101.50/70.

We expect the shilling, which has fallen to a three-month low against the U.S. dollar, to remain under pressure in the short term due to end month dollar demand from a cross section of importers. However, we expect the local currency to receive some support from improving dollar inflows from diaspora remittances and foreign investors buying government debt.

#### Indicative Forex rates

|         | Buy Cash | Sell Cash | Buy TT | Sell TT |
|---------|----------|-----------|--------|---------|
| USD/KES | 98.00    | 105.00    | 99.00  | 104.00  |
| GBP/KES | 127.00   | 135.00    | 127.50 | 134.50  |
| EUR/KES | 109.75   | 116.75    | 110.25 | 116.25  |
| AED/KES | 26.15    | 29.15     | 26.15  | 29.15   |

| Money Market Rates | Current | Previous | Change |
|--------------------|---------|----------|--------|
| Interbank Rate     | 5.1158% | 4.7478%  | 0.368  |
| 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 strengthened further against the euro and other major global currencies on Wednesday, after a surprise drop in a leading indicator for economic activity in Germany highlighted the divergence between economic data in the U.S. and the euro zone. The greenback was also supported by strong U.S. housing data, the latest signal the American economy is outperforming rivals.

The dollar index against a basket of six major rivals, was up 0.40% at 98.05, its highest since June 2017. Investors focus now turns to the release on Friday of U.S. gross domestic product (GDP) data for the first three months of 2019, for signs of whether the U.S. remains stronger than other leading economies.

The euro nursed losses against the dollar, dipping to a 22-month low on a surprise drop in the leading indicator for economic activity in Germany, amplifying worries of a growth slowdown in Europe's largest economy. On the day, the common currency was down 0.6% to settle at \$1.1150, having suffered its biggest one-day loss against the dollar since early March when the European Central Bank pushed back plans for its first post-crisis interest rate hike.

Meanwhile, the sterling pound fell to a two-month low of \$1.2905, weighed down by a broad-based rally in the dollar and fading hopes of a breakthrough in Brexit talks between the British government and the opposition.

Elsewhere, global oil prices hovered near a six-month high after data showed U.S. crude stockpiles surged to their highest levels since October 2017, countering fears of tight supply resulting from OPEC output cuts and U.S. sanctions on Venezuela and Iran. Brent crude futures rose 0.2% to settle at \$74.65 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 | 1.1100 | 1.1200 |
| GBP/USD | 1.2855 | 1.2955 |
| USD/AED | 3.6675 | 3.6785 |
| USD/JPY | 111.45 | 112.45 |

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.