



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 25TH FEBRUARY 2019

### DOMESTIC NEWS

The Kenyan shilling held stable against the U.S. dollar on Friday due to muted demand from a cross section of importers amid hard currency inflows from diaspora remittances and foreign investors buying government securities. At close of business, the shilling traded at 100.10/30, little changed from Thursday's close of 100.15/35.

We expect the local unit to hold relatively stable against the greenback and trade in the 99.70/100.70 range in the short term as improving dollar inflows from diaspora remittances and offshore investors meet end of month dollar demand from oil, manufacturing and merchandise importers.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.70	103.70	97.70	102.70
GBP/KES	126.95	134.95	127.45	134.45
EUR/KES	110.10	117.10	110.60	116.60
AED/KES	25.80	28.80	25.80	28.80

Money Market Rates	Current	Previous	Change
Interbank Rate	2.6179%	1.9756%	0.642
91-Day T-bill	6.963%	7.016%	-0.053
182-Day T-Bill	8.375%	8.483%	-0.108
364-Day T-Bill	9.492%	9.551%	-0.059
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 U.S. dollar fell broadly on Friday as investors took on riskier assets after top U.S. and Chinese leaders said a trade deal between their countries was likely with just over a week remaining before higher tariffs can be triggered by the expiration of a U.S.-imposed deadline for an agreement. U.S. President Donald Trump said following the significant progress made in the trade talks, he might be inclined to extend negotiations beyond a March 1 deadline.

The euro was flat against the dollar at \$1.1340. Weak data since January has undermined support for the single currency. Analysts assessing the euro's prospects are focused on whether a slowdown in European growth is likely to be protracted after a survey on Friday showed business morale fell in February for a sixth straight month in Germany, the mainspring of the European economy.

The sterling pound, meanwhile, consolidated gains on Friday and snapped a three-week losing streak to settle at \$1.3070 as investors eyed last-minute talks between the U.K and the E.U. on possible changes to the Brexit withdrawal agreement. Britain is due to leave the EU on March 29, but Prime Minister Theresa May is seeking further concessions on her Brexit deal in hope of winning the support of lawmakers before putting it to another vote in parliament.

Elsewhere, oil prices touched their highest level since mid-November on Friday and posted weekly gains for the second week in a row, boosted by hopes that U.S.-China trade talks would soon produce a deal, although new record U.S. oil supply limited gains. Brent futures briefly reached \$67.73 a barrel, their 2019 high before giving up some of the gains to settle at \$66.10 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	1.1390	1.1390
GBP/USD	1.3020	1.3120
USD/AED	3.6675	3.6785
USD/JPY	110.15	111.15

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