



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 22ND MARCH 2019

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the greenback on Friday as dollar inflows from remittances and offshore investors buying government debt outweighed thin dollar demand from importers. At close of trade, the local unit traded at 100.60/80, marginally stronger than the opening level of 100.70/90.

We expect the shilling to hold relatively stable against the dollar in coming days, getting support from improved remittances and offshore investors' inflows. However, we may see the shilling come under pressure due to end month dollar demand.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.20	104.20	98.20	103.20
GBP/KES	128.85	136.85	129.35	136.35
EUR/KES	110.30	117.30	110.80	116.80
AED/KES	25.92	28.92	25.92	28.92

Money Market Rates	Current	Previous	Change
Interbank Rate	2.3110%	2.2577%	0.053
91-Day T-bill	7.697%	6.837%	0.860
182-Day T-Bill	8.226%	8.270%	-0.044
364-Day T-Bill	9.409%	9.439%	-0.030
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 climbed against the euro on Friday to its highest in more than a week, boosted by a much weaker-than-expected German manufacturing survey, but the greenback slid against the Japanese yen on growing worries about the U.S. economy. Businesses across the euro zone performed much worse than expected in March as factory activity contracted at the fastest pace in nearly six years, hurt by a big drop in demand.

On the day, the euro tumbled almost 1% to trade below \$1.13 at \$1.1295 as the much weaker-than-expected German manufacturing survey and falling bond yields prompted traders to cut their positions. The weak factory data raised concerns that the German economy, Europe's powerhouse, may be slowing quickly.

The euro's weakness was a relief for the greenback, which had come under pressure earlier this week after the Federal reserve surprised investors by abandoning all plans to raise rates this year. On the day, the dollar index was up 0.3% to settle at 96.60.

Meanwhile, the sterling pound rallied on Friday, helped by a weaker euro and after European Union leaders gave UK Prime Minister Theresa May a two-week reprieve to decide how Britain will leave the European Union. Sterling had plunged on Thursday in its biggest one-day fall of 2019 as fears mounted that Britain would crash out of the EU on March 29 without a deal. However, on day, the pound was up 0.6% to settle at \$1.3190.

Elsewhere, oil prices fell about 1.1% on Friday, slipping further from 2019 highs as focus shifted to a lack of progress in U.S.-China trade talks and as grim manufacturing data from Germany and the U.S. reignited fears of a slowdown in the global economy and oil demand. Brent crude futures settled at \$66.65 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	1.1245	1.1345
GBP/USD	1.3140	1.3240
USD/AED	3.6675	3.6785
USD/JPY	109.45	110.45

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