



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH APRIL 2019

DOMESTIC NEWS

Improving dollar inflows from horticulture exports and diaspora remittances saw the Kenya shilling hold steady against the greenback on Thursday despite increased dollar demand from oil and merchandise importers. By close of business, the local currency stood at 101.45/65, same as Wednesday's close. We expect the shilling to remain under some pressure in the coming week due to demand from a cross section of importers buying dollars to meet end-month obligations.

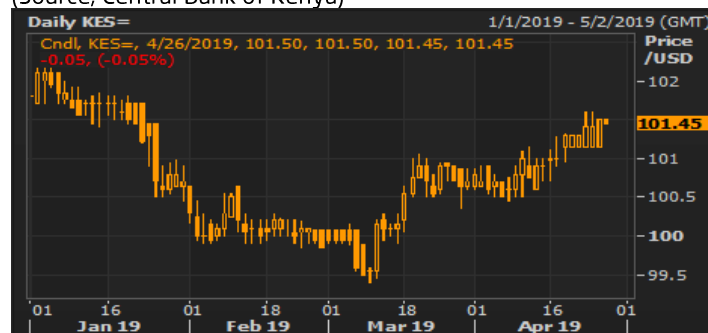
The Kenyan economy grew by 6.3% last year, the statistics office said on Thursday, helped by adequate rainfall which spurred farming, which contributes about a third of output. Growth had slumped to 4.9% in 2017. The country's economy is likely to expand by at least 6% this year, the country's finance minister said, sticking to rosy government forecasts despite delayed rains that could hit agriculture, a mainstay of the economy.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	98.05	105.05	99.05	104.05
GBP/KES	127.05	135.05	127.55	134.55
EUR/KES	109.60	116.60	110.10	116.10
AED/KES	26.15	29.15	26.15	29.15

Money Market Rates	Current	Previous	Change
Interbank Rate	5.3777%	5.1158%	0.262
91-Day T-bill	7.298%	7.305%	-0.007
182-Day T-Bill	8.006%	8.042%	-0.036
364-Day T-Bill	9.315%	9.354%	-0.039
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 hovered near a two-year high against its peers on Thursday, supported by strong U.S. capital goods orders and awaiting first-quarter GDP data which could further reinforce the greenback's bullish standing. The dollar index versus a basket of six major currencies last stood at 98.15, it's highest since May 2017.

Investors are now focussed on first-quarter U.S. gross domestic product (GDP) data due later on Friday for signs of whether the United States remains stronger than other leading economies.

The euro languished near a 22-month low, weighed down by ailing growth in Germany and the spectre of political uncertainty in Spain. A surprise drop in German business morale has highlighted the divergence between economic data in the U.S. and the euro zone. On the day, the common currency fell 0.15% to settle at \$1.1135, it's lowest since May 2017.

Meanwhile, the British pound was stuck near \$1.29 - a 10-week low - after reports PM Theresa May's talks with the opposition Labour Party over Brexit had run into the sand. The pound has weakened sharply this week as lawmakers returned from an Easter recess with little sign of progress in May's efforts to convince them to back her Brexit deal.

Elsewhere, global oil prices dipped to settle at \$74.20 a barrel on Thursday on hopes that producer club OPEC will soon raise output to make up for a decline in exports from Iran following a tightening of sanctions on Tehran by the U.S. Despite this, Brent is on track for its fifth weekly price gain, the longest such stretch since April 2018 as oil markets remain tight amid supply disruptions and rising geopolitical concerns.

Indicative Profit Rates on Deposits

	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

	Indicative Cross Rates	
	Bid	Offer
EUR/USD	1.1085	1.1185
GBP/USD	1.2855	1.2955
USD/AED	3.6675	3.6785
USD/JPY	111.20	112.20

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