



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 26TH FEBRUARY 2019

DOMESTIC NEWS

Ample dollar supply in the market from diaspora remittances and offshore investors buying government debt helped the Kenya shilling to firm marginally against the greenback in active trading on Monday as importer end-month dollar demand remained muted. At close of trade, the shilling was trading at 100.00/20, 10 cents stronger than the opening level of 100.10/30.

We expect the local currency to remain relatively stable and trade in the 99.70/100.70 range in coming days as improving dollar inflows from remittances, horticulture exports and foreign investors meet end month demand from a cross section of importers.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.60	103.60	97.60	102.60
GBP/KES	127.40	135.40	127.90	134.90
EUR/KES	110.20	117.20	110.70	116.70
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	3.1207%	2.6179%	0.503
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 safe-haven dollar fell broadly against major global currencies on Monday as risk appetite increased after U.S. President Donald Trump said he would delay a planned hike in tariffs on Chinese imports, suggesting trade negotiations between the two countries have made significant progress. The U.S. deadline set earlier for imposing higher tariffs on Chinese goods was March 1.

Global equity markets rose on the news, along with currencies that do well in risk-tolerant environments. In mid-morning trading, the dollar index, which measures the currency's value against a basket of six currencies, fell 0.1% to settle at 96.40 as investors bought currencies considered riskier.

The euro also gained against the weaker dollar, adding 0.15% to close at \$1.1360 and keeping within its recent trading ranges.

Meanwhile, the sterling pound jumped to a near four-week peak against the dollar on reports that British Prime Minister Theresa May was considering delaying the March 29 deadline for U.K.'s exit from the European Union. The pound was last up 0.4% on the day at \$1.3125, sitting just below a session high of \$1.3150, its highest since Jan. 31.

Elsewhere, global oil futures tumbled more than 3% on Monday in their largest daily percentage drop this year after U.S. President Donald Trump called on OPEC to ease its efforts to boost crude prices, which he said were "getting too high." Brent crude futures fell \$2.36, or 3.5% to settle at \$64.60 a barrel. The comments triggered a selloff that halted momentum from Friday's session, when the benchmark hit more than three-month highs on expectations for tightening supply and rising hopes for a U.S.-China trade deal.

Indicative Profit Rates on Deposits

	Indicative Profit Rates on Deposits	
	Amounts > 10 Million KES	Amounts >100,000 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	1.1310	1.1410
GBP/USD	1.3075	1.3175
USD/AED	3.6675	3.6785
USD/JPY	110.30	111.30

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