



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

## TREASURY MARKET UPDATE 27TH FEBRUARY 2019

### DOMESTIC NEWS

The Kenyan shilling traded in a narrow range against the greenback on Tuesday as dollar inflows from horticulture exports and diaspora remittances met increasing end month dollar demand from a cross section of importers. At close of business, the local currency stood at 100.05/100.25, little changed Monday's close of 100.00/20.

We expect the shilling to hold relatively stable against the dollar in the short term as increasing end month importer dollar demand is matched by hard currency dollar inflows from horticulture exports, diaspora remittances and foreign investors buying government debt.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.65	103.65	97.65	102.65
GBP/KES	128.65	136.65	129.15	136.15
EUR/KES	110.45	117.45	110.95	116.95
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	3.7303%	3.1207%	0.610
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 to a three-week low on Tuesday, as Federal Reserve Chairman Jerome Powell repeated that the U.S. central bank would remain patient on monetary policy, suggesting it was unlikely to raise interest rates anytime soon. Powell said on Tuesday that rising risks and recent soft data were unlikely to prevent solid growth for the U.S. economy this year, but the Fed would remain "patient" on further interest rate hikes.

In afternoon trading, the dollar index, a measure of its value against a basket of six major global currencies, fell 0.4% to settle at 96.15, after hitting a three-week trough of 95.95.

The euro rose 0.15% against the weaker greenback to settle at \$1.1375.

Meanwhile, the sterling pound rose against the dollar after PM Theresa May offered lawmakers the chance to vote on delaying Brexit. By opening up the possibility of avoiding a chaotic no-deal departure from the EU - the worst-case scenario for sterling - May's proposal sent the currency surging. It jumped 1.4% to a five-month high of \$1.3245. Speaking to parliament, May told lawmakers they could vote on March 14 on a motion requesting a "short, limited extension" to the scheduled March 29 departure date.

Elsewhere, oil prices rose on Tuesday after news that OPEC planned to continue production cuts despite comments from U.S. President Donald Trump, who criticized the producer group for rising crude prices a day earlier. Brent crude, the global benchmark, rose 1.3% to settle at \$65.60 a barrel after falling more than 3.5% on Monday on Trump's comments.

#### 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	1.1325	1.1425
GBP/USD	1.3195	1.3295
USD/AED	3.6675	3.6785
USD/JPY	110.10	111.10

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.