



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 27TH MARCH 2019

DOMESTIC NEWS

The Kenyan shilling held steady against the greenback on Tuesday as healthy dollar inflows from remittances and horticulture exports matched surging end-month demand from the energy and manufacturing sectors. At close of trade, the local unit stood at 100.85/101.05, same as Monday's close.

We expect the local currency to remain relatively stable against the U.S. dollar and trade in the 100.50/101.50 in coming days as hard currency inflows from the country's primary exports, diaspora remittances and foreign investors buying stock and government debt match surging end month dollar demand from a cross section of importers.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.45	104.45	98.45	103.45
GBP/KES	129.10	137.10	129.60	136.60
EUR/KES	110.15	117.15	110.65	116.65
AED/KES	26.00	29.00	26.00	29.00

Money Market Rates	Current	Previous	Change
Interbank Rate	2.8258%	2.6746%	0.151
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 rose against a basket of currencies on Tuesday as U.S. benchmark 10-year yields rebounded from 15-month lows on solid gains in U.S. shares, brushing aside disappointing domestic data on housing starts and consumer confidence. The U.S. yield curve remained inverted after the interest rates on three-month Treasury bills moved above the yields on 10-year notes for the first time since mid-2007 last Friday.

This market phenomenon, which has preceded every U.S. recession over the past 50 years, triggered a dramatic selloff in stock markets across the globe late last week and a stampede into longer-dated U.S. government debt, putting some pressure on the greenback.

The euro slipped on Tuesday, reversing some of Monday's gains tied to a stronger-than-forecast German business confidence survey. The common currency was down 0.5% to settle at \$1.1255.

Meanwhile, the pound held steady at \$1.3185 after two Eurosceptic lawmakers indicated they might agree to support PM Theresa May's E.U. withdrawal deal rather than risk the UK parliament cancelling Brexit. The comments follow parliament's move to take control of the Brexit process, raising expectations that lawmakers can end an impasse on Britain's European Union exit, with the possibility of a longer Brexit delay or a second referendum.

Elsewhere, oil prices rose nearly 1% percent on Tuesday to settle at \$68.15 a barrel as attention centered on geopolitical factors tightening supplies that are leading to falling exports from Venezuela and declining U.S. inventories.

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	1.1205	1.1305
GBP/USD	1.3135	1.3235
USD/AED	3.6675	3.6785
USD/JPY	110.10	111.10

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