



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

## TREASURY MARKET UPDATE 28TH FEBRUARY 2019

### DOMESTIC NEWS

The Kenyan shilling held steady against the U.S. dollar on Wednesday despite a surge in end month dollar demand from a cross section of importers as ample dollar supply from diaspora remittances and offshore investors buying government debt matched the dollar demand. At market close, the local currency stood at 100.00/100.20, little changed from the opening level of 100.05/100.25.

We expect the shilling, which has strengthened almost 2% against the dollar this year, to remain relatively stable against the greenback and trade in the 99.50/100.50 range in coming days as increasing inflows from remittances and horticulture inflows match end month dollar demand from importers.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.60	103.60	97.60	102.60
GBP/KES	129.15	137.15	129.65	136.65
EUR/KES	110.35	117.35	110.85	116.85
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	4.5260%	3.7303%	0.796
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 rose from a three-week low on Wednesday but traded within narrow ranges as investors grew cautious about U.S. trade talks with China after the U.S. trade representative Robert Lighthizer said there are still serious issues to work through to secure a deal. He added that promises from Beijing to purchase more U.S. goods and any deal between the two countries must include a way to ensure commitments are met.

The greenback's outlook, however, remained negative after Fed Chairman Jerome Powell emphasized patience on raising U.S. interest rates in two days of testimony before the U.S. Congress. Money markets have ruled out rate hikes for the remainder of the year with an 80% probability of a rate cut by early 2020.

The euro was little changed against the dollar at \$1.1375.

Meanwhile, the sterling pound rallied to its highest levels in seven months as investors ramped up bets that a no-deal Brexit was less likely and that Britain's departure from the E.U. would be delayed. British PM Theresa May on Tuesday offered lawmakers the chance to vote in two weeks for a no-deal Brexit or to delay Britain's exit from the E.U. if her attempt to ratify an agreement fails. With most lawmakers believed to oppose a no-deal Brexit, May's move opens up the possibility of a delay, removing the immediate threat of a disorderly exit on March 29. On the day, the pound was up 0.6% to its highest since July 2018 at \$1.3300.

Elsewhere, oil prices rose on Wednesday after U.S. crude inventories unexpectedly plummeted and as Saudi Arabia brushed aside comments from U.S. President Donald Trump seeking to keep oil prices from climbing. Brent crude futures were up 0.3% to settle at \$66.20 a 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	1.1325	1.1425
GBP/USD	1.3250	1.3350
USD/AED	3.6675	3.6785
USD/JPY	110.40	111.40

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