



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 29TH APRIL 2019

DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the greenback on Friday as dollar inflows from offshore investors buying government debt and diaspora remittances outmatched surging dollar demand from oil and merchandise importers. By close of trading, the local unit stood at 101.35/55, slightly stronger than the opening level of 101.45/65.

We expect the local currency to remain under some pressure against the U.S. dollar in the short term due to rising end-month dollar demand from a cross section of importers. However, we see the shilling getting support from improving dollar inflows from remittances and horticulture exports.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.95	104.95	98.95	103.95
GBP/KES	127.25	135.25	127.75	134.75
EUR/KES	109.70	116.70	110.20	116.20
AED/KES	26.12	29.12	26.12	29.12

Money Market Rates	Current	Previous	Change
Interbank Rate	5.3777%	5.3777%	0.000
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 fell against a basket of other currencies on Friday, after an overall strong U.S. first-quarter growth report was overshadowed by soft inflation data. GDP increased at a 3.2% annualized rate in the quarter, the Commerce Department said in its advance GDP report, released on Friday, versus the 2% estimated by economists.

The dollar, however, did not enjoy a boost from the report as traders focused on the core personal expenditures consumption price index figure, the Federal Reserve's preferred inflation gauge, which increased at only a 1.3% rate versus 1.8% in the prior quarter.

The euro, which is hovering near its weakest level against the greenback since May 2017 amid worries about the strength of the euro zone economy, was up 0.35% on the day to settle at \$1.1160, ahead of a national election in Spain on Sunday.

Meanwhile, the British pound was headed for its biggest weekly drop in a month on Friday, dragged down by growing concern about stagnant Brexit talks. A broad dollar rebound this month has also undercut the appeal of the pound before a Bank of England policy meeting this week where policymakers are expected to leave interest rates unchanged. On the day, the pound was 0.3% higher against the weaker dollar to close at \$1.2935, its weakest since mid-February.

Elsewhere, global oil prices fell further in early trading on Monday, extending a slump from Friday that ended weeks of rallying, after U.S. President Donald Trump demanded that producer club OPEC raise output. Brent crude futures were at \$71.75 per barrel, down 3.3% from their last close on Thursday.

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	1.1110	1.1210
GBP/USD	1.2885	1.2985
USD/AED	3.6675	3.6785
USD/JPY	111.10	112.10

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