



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

## TREASURY MARKET UPDATE 2<sup>ND</sup> APRIL 2019

### DOMESTIC NEWS

The Kenyan shilling weakened marginally against the U.S. dollar on Monday due to excess liquidity in the local money market, but dollar inflows from foreign investors buying government debt offered support to the local currency. At close of business, the shilling traded at 100.75/95, marginally weaker than the opening level of 100.65/85.

We expect the local unit to remain relatively stable and trade in the 100.50/101.50 range in the short term as healthy inflows from remittances, exports and foreign investors offset ample liquidity in the money market. The overnight inter-bank rate has remained low at below 3% in the past week and was last at 2.75% on Monday, indicating high levels of liquidity in the market.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.35	104.35	98.35	103.35
GBP/KES	127.80	135.80	128.30	135.30
EUR/KES	109.50	116.50	110.00	116.00
AED/KES	25.95	25.95	25.95	25.95

Money Market Rates	Current	Previous	Change
Interbank Rate	2.7462%	2.5992%	0.147
91-Day T-bill	7.500%	7.697%	-0.197
182-Day T-Bill	8.204%	8.226%	-0.022
364-Day T-Bill	9.408%	9.409%	-0.001
Inflation	4.14%	4.70%	-0.560
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

### INTERNATIONAL NEWS

A pickup in U.S. manufacturing activity helped send the dollar to its highest level against the euro in three weeks on Monday, as ebbing concerns about the global economy pushed U.S. bond yields up from 15-month troughs. The Institute for Supply Management said its index of national factory activity rose to a reading of 55.3 in March from 54.2 in February, which had marked the lowest level since November 2016.

The 10-year Treasury yield also rose to 2.492%, pulling back from a 15-month low of 2.34% brushed last week when risk aversion driven by concerns towards a global economic slowdown gripped the financial markets.

The euro was down 0.4% to settle at \$1.1200. The single currency brushed \$1.1190, its lowest since March 8, and was headed for its sixth straight day of losses as Euro zone headline and core inflation slowed in March, supporting the European Central Bank's decision to delay a planned tightening of monetary policy.

Meanwhile, the British pound rose on Monday as investors prepared for parliament to vote on a series of Brexit options, with some hoping that the current uncertainty will end in a softer Brexit than Prime Minister Theresa May's defeated withdrawal agreement. May's deal was voted down for a third time by lawmakers on Friday. On the day, the pound rose 0.1% to close at \$1.3065.

Elsewhere, global oil prices rose to fresh 2019 highs on Tuesday, supported by firm Chinese economic data that eased demand concerns, the possibility of more sanctions on Iran and further Venezuelan supply disruptions. Brent crude rose 1.4% to settle at \$69.10 a barrel, the highest since mid-November.

#### 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	1.1150	1.1250
GBP/USD	1.3015	1.3115
USD/AED	3.6675	3.6785
USD/JPY	110.85	111.85

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.