



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

## TREASURY MARKET UPDATE 4<sup>TH</sup> APRIL 2019

### DOMESTIC NEWS

The Kenyan shilling strengthened marginally against the greenback on Wednesday as dollar inflows from offshore investors buying local government debt outweighed thin importer demand for dollars. At close of business, the local unit had gained 15 cents to the dollar to settle at 100.65/85, compared to the opening level of 100.80/101.00. We expect the shilling to remain relatively stable in coming days, getting support from foreign investors dollar inflows as importer dollar demand remains subdued.

Meanwhile, the pace of activity in Kenya's private sector edged lower in March to its softest in 16 months. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services fell to 51.0 from 51.2 in February. Any reading above 50 indicates growth. Output by firms, their new orders and employment recorded weaker expansions during the period, while input costs rose at a softer pace.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.25	104.25	98.25	103.25
GBP/KES	128.70	136.70	129.20	136.20
EUR/KES	109.75	116.75	110.25	116.25
AED/KES	25.95	25.95	25.95	25.95

Money Market Rates	Current	Previous	Change
Interbank Rate	3.2816%	3.2058%	0.076
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	4.35%	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 weakened further against major global currencies on Wednesday, after data showed that U.S. services sector activity slowed to a more than 1-1/2-year low in March amid a sharp drop in new orders, underscoring slowing economic growth that supports the Federal Reserve's decision to halt further interest rate increases this year. The dollar index against six major global currencies was down 0.15% from the previous session to settle at 97.05.

Focus now turns to Friday's government employment report for March for further indications on the strength of the U.S. labor market and wage inflation.

The euro gained against the greenback on Wednesday as hopes of a trade deal between the U.S. and China bolstered risk appetite globally. Better than expected service sector data in Europe further helped the single currency as German 10-year Bund yields also headed back above zero. On the day, the euro was up 0.2% to settle at \$1.1240.

Meanwhile, the sterling pound rose further against the greenback as PM Theresa May sought a Brexit compromise with opposition leader Jeremy Corbyn in a last-ditch effort to end a national crisis. The lower house of the British parliament on Wednesday approved legislation which would force May to seek a Brexit delay to prevent a potentially disorderly departure on April 12 without a deal. The pound last stood at \$1.3170, up 0.25% on the day.

Elsewhere, global oil prices fell after a surprise build in U.S. crude inventories, but futures held near their highest in almost five months as OPEC-led output cuts and sanctions on Iran tightened the supply outlook. Brent futures settled at \$69.30 a barrel.

#### Indicative Profit Rates on Deposits

	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	1.1190	1.1290
GBP/USD	1.3120	1.3220
USD/AED	3.6675	3.6785
USD/JPY	110.90	111.90

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.