



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

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

### DOMESTIC NEWS

The Kenyan shilling continued to hold stable against the greenback on Friday, supported by ample dollar supply from diaspora remittances and horticulture exports amid weak end month demand from oil and manufacturing importers. At close of trade, the local unit stood at 99.95/100.15, same as Thursday close. We expect the shilling to remain relatively stable against the dollar in coming days as importer dollar demand remains muted amid improving inflows from remittances.

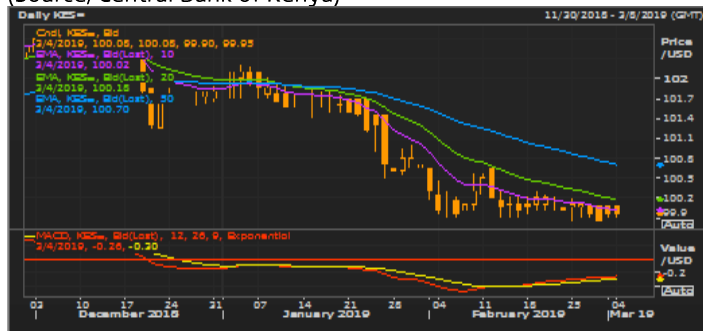
Meanwhile, the Central Bank of Kenya, in its capacity as a fiscal agent for the Republic of Kenya, is offering an opportunity to invest in a new 25-year infrastructure bond, IFB1/2019/25 seeking to raise KES 50bn in the month of March 2019. The bond, which will be auctioned on March 20, will come with a coupon of 12.20% and will be tax free in line with the government's policy of encouraging investors to invest in infrastructure bonds.

#### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.55	103.55	97.55	102.55
GBP/KES	128.40	136.40	128.90	135.90
EUR/KES	110.20	117.20	110.70	116.70
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	5.2936%	5.0663%	0.227
91-Day T-bill	6.886%	6.963%	-0.077
182-Day T-Bill	8.317%	8.375%	-0.058
364-Day T-Bill	9.476%	9.492%	-0.016
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 on Friday as risk appetite improved amid a more upbeat outlook on some major economies of the world. The dollar index, a gauge of the currency's value against six major currencies, rose 0.4%, posting its largest daily percentage gain in two weeks. Friday's slew of weaker-than expected U.S. economic data weighed on the dollar initially, especially the manufacturing index, but the greenback rallied to trade higher on the day.

The dollar was also supported by data on Thursday showing U.S. GDP grew at an annual 2.6% rate in the fourth quarter, exceeding forecasts for a 2.3% gain. Benchmark 10-year U.S. Treasury yields rose about nearly 10 basis points last week, the highest weekly increase in four months.

The euro, meanwhile, slipped 0.1% against the greenback to close at \$1.1365. Earlier data showed that underlying inflation in the euro zone remained subdued.

The pound slipped on Friday after survey data showed British factories slashed jobs in February, but still enjoyed its biggest weekly rise in a month on receding fears that Britain will leave the E.U. without a deal. The British currency surged to multi-month highs last week after PM Theresa May said lawmakers would get to vote on a delay to Brexit if they choose not to approve her withdrawal agreement. On the day, the pound edged 0.2% lower to settle at \$1.3235. For the week, it was up 1.5%.

Elsewhere, oil prices settled down about 2% on Friday as concerns over global demand growth after weak U.S. manufacturing data overshadowed OPEC-led supply cuts and sanctions on Venezuela and Iran. Global benchmark Brent crude futures for May settled 1.9% lower at \$65.35 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	1.1315	1.1415
GBP/USD	1.3185	1.3285
USD/AED	3.6675	3.6785
USD/JPY	111.45	112.45

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.