



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5TH APRIL 2019

DOMESTIC NEWS

Dollar inflows from remittances and foreign investors buying government debt saw the Kenya shilling remain stable on Thursday amid subdued dollar demand from importers. At close of trade, the shilling traded at 100.60/80, little changed from Wednesday's close of 100.65/85. We expect the local currency to remain relatively steady in the coming week as inflows from offshore investors buying the new 10-year and 20-year bonds being auctioned next week offsets pressure from excess liquidity in the money market.

Elsewhere, in his State of the Nation address on Thursday, President Uhuru Kenyatta said economic growth in 2019 was forecast at 6.3% from an estimated 6.1% last year. The President said that the country expects an even stronger growth this year reflecting continued improvement in the business environment, execution of the Big Four Agenda, and sustained macroeconomic stability.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	97.20	104.20	98.20	103.20
GBP/KES	127.90	135.90	128.40	135.40
EUR/KES	109.55	116.55	110.05	116.05
AED/KES	25.92	25.92	25.92	25.92

Money Market Rates	Current	Previous	Change
Interbank Rate	3.5560%	3.2816%	0.274
91-Day T-bill	7.444%	7.500%	-0.056
182-Day T-Bill	8.189%	8.204%	-0.015
364-Day T-Bill	9.385%	9.408%	-0.023
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 rose against its peers on Thursday, lifted by expectations that a protracted trade dispute between the U.S. and China would be resolved soon. The trade war between the world's two biggest economies has been a major distraction for financial markets over the past year. U.S. President Donald Trump said on Thursday both countries were getting very close to a trade deal that could be announced within four weeks.

On the economic front, investors will have an opportunity to gauge the health of the world's largest economy when the March U.S. jobs report is released later today.

The euro fell as weak German economic data and a report that Italy would slash its growth forecasts prompted fears about weakening growth in the region. German industrial orders fell by the sharpest rate in more than two years in February as they were hit by a slump in foreign demand, compounding worries that Europe's largest economy had a weak start to the year. The single currency was down 0.15% to close at \$1.1225.

Meanwhile, the pound fell more than 0.5% to settle at \$1.3095, snapping a three-day rising streak, as concerns rose that Britain may be headed for a protracted Brexit delay. Britain could ask the E.U. for a long Brexit delay next week if crisis talks between PM Theresa May's government and the opposition Labour Party fail to find a way out of the impasse over the divorce from the E.U.

Elsewhere, Brent oil prices rose on Thursday, briefly touching \$70 a barrel for the first time since November as expectations of tight global supply outweighed pressure from rising U.S. production and less robust global demand indicators. Brent futures gave up some of the gains to settle at \$69.40 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	1.1175	1.1275
GBP/USD	1.3045	1.3145
USD/AED	3.6675	3.6785
USD/JPY	111.20	112.20

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