



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 5TH MARCH 2019

DOMESTIC NEWS

Weak importer dollar demand helped the Kenya shilling to remain stable against the U.S. dollar on Monday, amid ample dollar inflows from horticulture exports and diaspora remittances. At close of trade, the local unit traded at 99.95/100.15, same as Friday's close. We expect the shilling to remain relatively stable in the short term as demand for the greenback from importers remains subdued.

Meanwhile, Kenya's forex reserves rose by USD 87 million last week amid a surge in dollar inflows from diaspora remittances and investors buying government securities. Central Bank data showed that the reserves stood at USD 8.196 billion, equivalent to 5.37 months of import cover at the close of Friday last week, up from USD 8.109 billion or 5.31 months of import cover a week earlier. It is the second highest level that the forex reserves have stood this year, having hit USD 8.23 billion late in January.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.55	103.55	97.55	102.55
GBP/KES	127.65	135.65	128.15	135.15
EUR/KES	109.85	116.85	110.35	116.35
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	4.9277%	5.2936%	-0.366
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 broadly against a basket of major currencies on Monday on traders' bets that China and the U.S. are moving closer to a trade deal that would end sparring between the world's two biggest economies. The greenback gained for a fourth straight day, also bolstered by the rise in U.S. bond yields with benchmark 10-year yields hitting one-month peaks last week.

The dollar's increase was however limited in the wake of comments from U.S. President Donald Trump, who on Saturday renewed his criticism of Fed Chairman Jerome Powell. Trump blamed the central bank's current monetary stance for boosting the dollar, which he believes is hurting U.S. exports.

The euro dipped 0.3% to settle at \$1.1330 ahead of a European Central Bank (ECB) meeting later this week. The ECB is facing growing pressure to address how to protect the euro zone economy from a protracted slowdown.

Meanwhile, the sterling pound fell 0.55% against the stronger to settle at \$1.3160. While Brexit negotiations still dominate the headlines, concerns about a slowdown in the British economy also continue to build. The British parliament is set to vote on May's deal next week, although the vote could be held sooner. If it fails to pass, lawmakers will get to vote on whether to delay Brexit, currently set for March 29.

Elsewhere, global oil prices dipped marginally in early trading on Tuesday, amid tepid prospects for growth in fuel demand, but OPEC-led efforts to cut output offered some support. Brent crude futures were last at \$65.25 per barrel, down 0.1% from the previous session.

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

	Value /USD	
	Bid	Offer
EUR/USD	1.1280	1.1380
GBP/USD	1.3110	1.3210
USD/AED	3.6675	3.6785
USD/JPY	111.40	112.40

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