



DIB Bank Kenya

A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH FEBRUARY 2019

DOMESTIC NEWS

The Kenya shilling was stable against the US dollar on Tuesday after strengthening to a six-month high on Monday as dollar inflows evenly matched demand from importers. At close of trade, the local currency stood at 100.00/20, same as Monday's close.

We expect the local unit, which has appreciated almost 2% against the greenback this year to be inclined on the stronger side and to test a level below 100 in the short term due to hard currency inflows from remittances and offshore investors buying government debt and stocks at the NSE amid subdued importer dollar demand.

Meanwhile, Kenya's private sector activity slowed slightly in January, hurt by a dip in the growth rate for new orders, although output rose. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services fell to 53.2 from 53.6 in December. Any reading above 50.0 indicates growth.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.60	103.60	97.60	102.60
GBP/KES	125.70	133.70	126.20	133.20
EUR/KES	110.65	117.65	111.15	117.15
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	2.6058%	5.4561%	-2.850
91-Day T-bill	7.061%	7.122%	-0.061
182-Day T-Bill	8.780%	8.833%	-0.053
364-Day T-Bill	9.856%	9.905%	-0.049
Inflation	4.70%	5.71%	-1.010
CBR RATE	9.00%	9.50%	-0.500

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar was little changed against a basket of major currencies on Tuesday, showing little reaction to U.S. President Donald Trump's State of the Union address, as continued recovery in investors' appetite for risk taking exerted pressure on safe-haven currencies.

In an annual speech on Tuesday outlining his priorities for the coming year and touching upon trade and budget issues, the President provided investors with few surprises. He said that illegal immigration was an urgent national crisis and reiterated his vow to build a border wall.

The euro fell 0.25% against the dollar to close at \$1.1400, its lowest since Jan. 28. The single currency was pressured after a survey released on Tuesday showed euro zone businesses expanded at their weakest rate since mid-2013.

Meanwhile, the British pound slumped to a two-week low of \$1.2960 on Tuesday, after weak survey data and uncertainty about Brexit talks pushed it below a key market level, forcing some large investors to cut some bets. UK cabinet ministers have secretly held talks on plans to delay Brexit by eight weeks, the Telegraph newspaper reported late on Tuesday. The delay would postpone Brexit to May 24. Currently, Britain is due to leave the European Union on March 29.

Elsewhere, oil prices slipped on Tuesday, falling further from two-month highs as concerns over a global economic slowdown crept back into the market, and a stronger dollar also weighed. Brent crude futures fell 85 cents from the previous session to settle at \$62.00 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	1.1350	1.1450
GBP/USD	1.2910	1.3010
USD/AED	3.6675	3.6785
USD/JPY	109.25	110.25

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