



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 6TH MARCH 2019

DOMESTIC NEWS

The Kenyan shilling continued to hold steady against the greenback on Tuesday as hard currency dollar inflows from horticulture exports and remittances matched weak dollar demand from a cross section of importers. At close of business, the local currency stood at 99.95/100.15, same as Monday's close. We expect the shilling to hold relatively stable against the dollar in the short term due to the prevailing weak importer dollar demand.

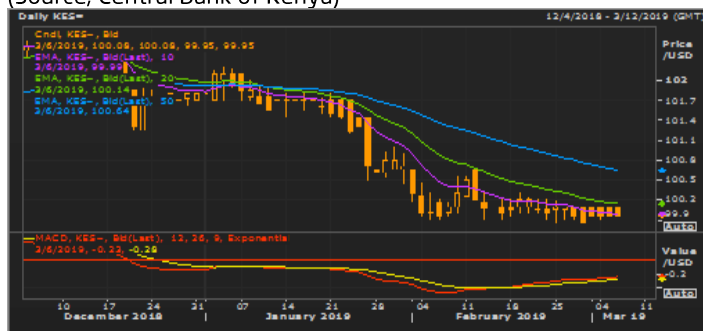
Meanwhile, Kenya's private sector activity fell in February to its lowest level in 15 months, hurt by slowing consumer demand and growth in output. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services fell to 51.2 from 53.2 in January. Contributing to the fall, new order growth slowed considerably in February to the weakest in the current sequence of expansion. Moreover, over 25% of firms saw a fall in sales amid softer customer demand, the survey report said.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.55	103.55	97.55	102.55
GBP/KES	127.45	135.45	127.95	134.95
EUR/KES	109.55	116.55	110.05	116.05
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	3.9533%	4.9277%	-0.974
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 to a two-week peak against a basket of currencies on Tuesday as unexpectedly strong data on U.S. services industries and new home sales allayed some worries about the state of the world's largest economy. The U.S. Commerce Department said new single-family home sales increased to a seven-month high in December, while the Institute for Supply Management said its gauge on services sector activity rose more than expected in February.

The dollar index that tracks the dollar against the euro, yen, sterling and three other major currencies was up 0.2% to settle at a two-week high of 96.90.

The euro weakened to two-week lows versus the greenback on expectations that the ECB meeting on Thursday would hint at a delay in raising rates until next year and soon relaunch long-term bank loans to battle an economic slowdown. The common currency was down 0.3% to close at \$1.1295.

Elsewhere, the pound fell after the opposition Labour party's spokesman said few lawmakers would back PM May's proposed Brexit deal, and there was little sign of a breakthrough in talks with Brussels. The pound has dropped this week, reversing some of last week's surge, as traders book profits and investors turn nervous again about the sort of divorce Britain and the E.U. will have. On the day, the pound dropped 0.2% to settle at \$1.3135.

Meanwhile, global oil prices held near flat on Tuesday as the market wavered on expectations the U.S. and China could reach a trade agreement as early as this month while awaiting U.S. government crude inventory data. Brent crude was little changed at \$65.40 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	1.1245	1.1345
GBP/USD	1.3085	1.3185
USD/AED	3.6675	3.6785
USD/JPY	111.30	112.30

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.