



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

## TREASURY MARKET UPDATE 7TH FEBRUARY 2019

### DOMESTIC NEWS

The Kenyan shilling held stable against the U.S. dollar on Wednesday, supported by dollar inflows from diaspora remittances amid weak dollar demand from importers. At close of trade, the local currency stood unchanged at 100.00/100.20, same as Tuesday's closing level. We expect the local unit, which has strengthened by 1.75% against the greenback this year, to remain relatively stable and trade in 99.50/100.50 range in the short term.

Elsewhere, the Kenyan government bond sold through mobile phone, M-Akiba, will be floated in March. It was initially launched in 2017, but failed to capture the market, raising Ksh247.8 million from two issues from 11,679 out of 303,534 registered subscribers. This was 25% of the intended KES 1.0 billion. The low uptake of the bond was attributed by the confusing user interface, poor customer service and customer education.

### Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	96.60	103.60	97.60	102.60
GBP/KES	125.45	133.45	125.95	132.95
EUR/KES	110.25	117.25	110.75	116.75
AED/KES	25.75	28.75	25.75	28.75

Money Market Rates	Current	Previous	Change
Interbank Rate	2.6058%	2.1721%	-0.434
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 rose to near a two-week high against major global currencies on Wednesday as U.S. President Donald Trump's State of the Union speech failed to surprise currency traders with markets more focused on the near-term outlook for monetary policy. The U.S. Federal Reserve has signaled a cautious monetary outlook in recent days with the Fed's pause proving a relatively bigger surprise for markets.

The dollar index, which measures the dollar against six major rivals, rose 0.4% from the previous session to close at 96.45.

The euro was down 0.35% against the stronger dollar to settle at \$1.1360. Euro zone growth has slowed sharply and is likely to restrain the European Central Bank - which only just stopped buying billions of euros worth of bonds each month - from lifting interest rates off the floor any time soon.

Meanwhile, the pound fell further on Wednesday after European Union Council President Donald Tusk said that he would make no new offer on Brexit as Prime Minister Theresa May tried to persuade the European Union to modify her Brexit deal to avoid a disorderly British departure from the bloc. The United Kingdom is on course to leave the EU on March 29 without a deal unless May can persuade the bloc to reopen the divorce deal she agreed in November. On the day, the pound fell 0.30% to settle at \$1.2930.

Elsewhere, global oil prices rose about 1% on Wednesday, boosted by signs of strong U.S. demand for distillate products and tightening global crude supply, but gains were capped by a rising U.S. dollar and ongoing concerns about a global economic slowdown. Brent crude futures gained 1.15% from the previous session to settle at \$62.50 per 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	1.1310	1.1410
GBP/USD	1.2880	1.2980
USD/AED	3.6675	3.6785
USD/JPY	109.45	110.45

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